

Realty Trust Review

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INVESTMENT STRATEGY: MARKET SLIDE OPENS BUYING OPPORTUNITY AS REIT PRICES FALL

The stock market has plunged since our last issue as the Dow Jones Industrials have fallen nearly 70 points, fueled, as ever, by rising rates and political uncertainties. REITs have largely shared in the decline, providing the opportunity to establish positions at prices less rich than in recent weeks.

It might seem foolhardy to advocate buying when the market may be poised for a major downturn, and you can find those who think that the market is going to 400 as well as those who think it is going to 1400. But there are two major reasons why softer prices call for new positions.

First, while both the REITs and the Dow have been boomy for most of the past year, we don't think that the two will move in concert indefinitely. Real estate stocks are in a long-term growth cycle for all the reasons that have made real estate such a popular investment; it is a self-perpetuating cycle at the moment, as real estate's inflation hedge properties are enhanced by the enormous sums of money looking to be invested in

real estate.

Second, so many of the realty trust stocks are so thinly traded that is easier (and much cheaper) to establish a position as the stock price is going down than by chasing it on its way up. The time to be in the market for these issues is when there are more sellers than buyers.

We're all such old hands when it comes to high rates that the caveats for the current market occur automatically. Issues warranting caution include those with variable rate debt, those needing systematic property sales to prevent losses and erosion of book, those with exposure to increased vacancies (mainly in shopping centers), and mortgage trusts as a group.

Only two ranking changes this issue; we've cut Moraga Corp.'s ranking from No. 1N to No. 2N. Moraga, currently trading at 10, was initially recommended at 3; the price is holding up, and we would either continue to hold or take profits. First Penn has been raised to a No. 3N from No. 4N as an improved speculation on Hallwood interests. Buy if the price goes down to 1.

WITH OUR SISTER SERVICE

HOUSING & REALTY INVESTOR's December 19 issue will contain our annual review of the savings & loan industry.

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INSIDE THE REALTY TRUSTS: JOCKEYING FOR POSITION AND INDICATORS TO SEARCH OUT

The realty trusts are caught by momentous changes. These lists should help you focus on the major trends you like:

1. Outsiders are buying major blocks of stock and sometimes pressing liquidation fights or proxy contests for new trustees.

2. Insiders/managers are trying to a) use massive taxloss carryforwards by buying assets or seeking mergers, or b) incorporating, often seeking staggered boards or other "shark repellants."

3. Some are pairing tax-conduit passive REITs with companies to get both high dividends and active management.

MAJOR BUYING GROUPS IN REALTY TRUSTS:

These groups or organizations report holding over 5% of shares of two or more realty trusts in latest 13-D filings with S.E.C. Some sales may not be reported. See individual reviews:

American Financial Corp., financial holding company: First Mortgage Invest.; Kenilworth Realty; North American Mtg. Triton Group.

Clyde W. Engle (Telvest, Inc.), Chicago investor: Indiana Financial; Wisconsin REIT.

Peter Cundill & Assoc., Canadian investment managers: Moraga Corp., State Mutual.

Deltec Panamerica, S.A., Panama holding co. for N.Y.C. broker: First Denver; First Newport; GMR Props.; Hamilton; Westport Co.; CMT Investment.

Drexel Burnham Lambert, U.S. securities broker: Maryland RL.; Tri-South Mtg.

Eastover/Leland Speed/Brent Baird, former REIT & its new managers: Amer. RL.; Citizens Growth; Eastover Corp.; First Carolina Inv.; ICM Realty; Kentucky Prop.; Nat'l. Mtg.; Parkway.

Loyal Amer. Life Insur. Co., U.S. insurance co. owned by Imperial Life Assurance Co. of Can.: Riviere Realty; Southmark Props.; TRECO, Inc.

Edwin Morgens/Bruce Waterfall, NYC advisers to foreign investors: Great American M&I; Towermarc.

Herbert C. Lust et al., private investors: BRT Realty, Nova REIT.

Unicorp Finc'l. Corp., Toronto holding co. controlled by Geo. Mann: First Union; GREIT; REIT of America; San Francisco RE.

Morse Van Horn/Lincoln Mtg., new mgrs. of former REIT: Builders Inv. Gr.; Lincoln Mtg.

SZRL Investments, private investors, Great American M&I, Hamilton Inv.; Institutional Investors, U.S. Realty.

TRUSTS ESTIMATING CURRENT ASSET VALUES:

These trusts or companies give either management or external estimates of current market value of assets (see reviews): Denver REIA; Amer. Realty, BankAmerica Rlty, First Union Rlty.; Growth Realty; Great Amer. M&I*; New Plan Rlty.; Pacific RL.; Property Capital; B.F. Saul; TIERCO*: U.S. Realty; Virginia REIT: University REIT (not reviewed); Wells Fargo M&E.

* New market values included in restated book value.

ACQUISITIONS OR MERGERS PENDING: GMR Props. (w/Grubb & Ellis); Plaza Rlty. (w/Albert Ginsburg props.); Nationwide RE (w/Old Stone Corp.); Republic Mtg. (w/Oppenheimer interests); Security Capital (to acq. Benj. Franklin Sav. Assn., Houston); Southmark Props. (w/Gene W. Phillips entities).

Mergers/acquisitions completed: Sutro Mtg. into PNB Mtg. 10/79; Viking, Inc. into TIERCO 10/79; Greenville Corp. into State Mut. Inv. 1/80. Investors Realty and Summit Props. into IRT Props. 5/79. Midland Mtg. w/ Snowmass assets 11/80.

NAME CHANGES: Mortgage Trust of America becomes Transamerica Realty; Metroplex Realty become Vista Mortgage & Realty; Hanover Square Realty becomes Pearce Urstadt Mayer & Greer, Inc.; Lincoln Mortgage become Lincoln Investors; CMT Investment Trust become CMT Investment Co.

Pending (converting to corporations): Triton Group to Triton Group Ltd.; First Mtg. Inv. to FMI Financial; Cameron-Brown to Sunstates.

PAIRED STOCKS: Stocks of two companies are traded as single units for Santa Anita Realty and Hotel Investors. Washington REIT, IRT Properties, and Cenvill Communities have paired proposals pending.

LIQUIDATIONS PENDING: Denver, Franklin, Kenilworth, Central Mtg., Virginia.

Relative Appeal Rankings

Relative Appeal (RA) Rankings, shown at extreme left, give Audit Investment Research's current view of relative attractiveness of new share purchases. All trusts are ranked from No. 1 to 5 based on individual dividend and earnings outlook compared to the overall market. "N" beside a ranking denotes a non-dividend paying trust or former trust. Each summary contains brief comment and advice upon the securities. Changes in rankings are indicated by ↑ UP and ↓ DOWN. Relative Appeal Rankings mean:

- 1--Highest appeal; recommended for purchase/strong hold.
- 2--Above-average appeal, higher market risk.
- 3--Average appeal and market risk.
- 4--Below average appeal, higher market risk.
- 5--Least general appeal; special situations suitable for sophisticated investors only.

NON-DIVIDEND PAYING trusts are not recommended for income investors but may have trading appeal as speculations upon quick or large price moves on asset swaps, interest changes, etc.

All numbers are amounts per share except those denoted "M" or "T" for millions and thousands respectively. E or Est.=Estimates for current or next years. EPS=Earnings per share. CFS=Net cash flow per share as computed by Audit. #=Trusts evaluated on net cash flow basis. d=Deficit. FY=Fiscal year. p=Preliminary. w=With. incl=Including. All data, rankings and advice reviewed to publication date. See footnotes p.24 for important information on Tax status, Taxloss carry-forwards, Depreciation, Loss Reserve, Net Cash Flow. Bid prices used for OTC stocks.

3 -AMER CENTURY TR: \$7.50 (ACT-NYSE) SHARE DATA:

2607T, Net book \$ 9.31; Deprec. \$0.81; Loss resv. \$1.47; Taxloss \$5.02. ASSETS \$44.1M: 37% Invstmt prop, 39% Mtgs, 24% Foreclosed; 24% nonearn + 0% lowearn. DIVIDEND: \$0.10. FINANCE: \$17.4M debt is .7X \$24.3M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'80	15¢	1.19a	41¢	1.88a	3.63a
FY'81	25¢				

a-Incl. \$2.97 sale & taxloss '80; 12¢ taxloss '81.

Position: After sale in 6/80 quarter of largest asset, Century Bldg. in Arlington, Va., for \$25M, portfolio is 37% operating props., 24% land; 20% permanent loans. Building accounted for 50% of foreclosed props. & 30% of total invstmnts. Sale proceeds used to retire all bank debt at 11/80. Expects to operate at profit in FY'81. Div. resumed 11/28/80. Banks hold wts. for 450T shs. @ \$5.69 to 9/85. Amstar Equities owns 7.8%. Comment: Hold for recovery on improving properties.

1 -AM EQUITY INV #: \$14.75 (AEQTS-OTC) SHARE DATA:

2497T, Net book \$ 7.51 + Deprec. \$4.17; Loss resv. \$0.17; Taxloss \$0.00. ASSETS \$48.7M: 74% Invstmt prop, 26% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.20. FINANCE: \$33.7M debt is 1.8X \$18.8M equity.

EPS/CFS:	Mar.	June	Sept.	Dec.	Year
1979 16/23	61/66a	90/95a	32/38a	1.99/2.22a	
1980 26/30	1.01/1.05a	23/30			

a-Incl. sale gains: \$1.91 '79; 79¢ '80.

Position: Assets mostly garden apts. w/3,272 units; 82% Sunbelt, w/55% Tex. Mortgages are on props. sold; trust doesn't originate. Shares are mainly income vehicles; trust augments cash flow by turning over portfolio, but upgrading dispositions nearly completed & positioning to expand hi-income producing props. Divs. paid thru three loss yrs. in mid-70's, w/result that since formation 8/68 thru 12/79, tax status of divs. was 63% return of cap., 29% cap. gains, & 8% ordinary income. Life Investors Insur. Co. owns 6.6%. Comment: Buy for quality yield. (Ranked No. 1 12/7/79 @ \$10.13)

3N-AM FLETCHER MTG: \$3.75 (AFMIS-OTC) SHARE DATA:

1352T, Net book \$ 2.27; Deprec. \$0.00; Loss resv. \$2.52; Taxloss \$19.25. ASSETS \$21.0M: 8% Invstmt prop, 38% Mtgs, 54% Foreclosed; 59% nonearn + 18% lowearn. DIVIDEND: \$0.00. FINANCE: \$11.9M debt is 3.9X \$3.1M equity.

EPS	Apr.	July	Oct.	Jan.	Year
FY'80	d17¢	d11¢	28¢b	22¢a	0.22ab
FY'81	7¢a	42¢a			

a-Taxloss benefits: 9¢ '80; 22¢ '81 + 27¢ swap. b-34¢ int. recov., 12¢ reversal.

Position: Began as construction/development lender '69; ceased new loans in 1974. Since has been liquidating portfolio to repay debt down from \$93M. Assets 1/80: 71% land/devel.; mostly Ind. & Fla. Debt is all bank to 12/31/82, most @ 4% (pays 2% cash) plus contingent int. @ 114% prime. During FY'80, some 22% of total revs. derived from \$3.3M development loan, due 12/81, yielding 13% in FY. Trying to set up more swaps. Comment: Hi-risk speculation on prop. sales & possible acquisition. Seville Corp. owns 14.4%; may seek control, merger or board seat.

4N-AMER REALTY: \$5.00 (ARB-OTC) SHARE DATA:

2222T, Net book \$ 3.51; Deprec. \$4.15; Loss resv. \$0.37; Taxloss \$1.33. ASSETS \$34.1M: 74% Invstmt prop, 18% Mtgs, 8% Foreclosed; 42% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$21.6M debt is 2.8X \$7.8M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	d73¢a	4¢a	10¢	43¢a	d16¢a
FY'80	3¢	d19¢	9¢		

a-Incl. 57¢ sale gain.

Position: Began as owner of hotels/motels 1961, moving into mtg. lending in the early 1970's; serious problems in both areas. Continues to have cash flow problems, stemming from required payments on debt; is in default on several obligations incl. \$3½M of 9½% debts. due 3/79 & \$1.5M of 7% convts., for which judgment awarded against trust; a \$2.6M collateralized demand loan also called. Trust seeks to restructure demand debt. Four Wash. D.C. area hotels (31% assets) contribute 51% of revs., other props. 38%, & mtg. loans 11%. Selling Williamsburg, VA motel for \$8M, or

\$2.10/sh. gain. Assets include 24% raw land; deal to sell Atlanta parcel f/\$1.80/sh gain off, \$150T deposit forfeited. Trust est. real book value of \$20/sh. Comment: Sophisticated speculation on restructuring to restore liquidity, land sales to retire debt. Broker Brent Baird owns 11% w/Eastover, on board.

2N-ANRET INC: \$3.50 (ARET-PHSE) SHARE DATA:
509T, Net book \$20.47; Deprec. \$0.35; Loss resv. \$7.76; Taxloss \$20.38. ASSETS \$19.4M: 0% Invstmt prop, 70% Mtgs, E30% foreclosed; 30% nonearn + E26% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.2M debt is .4X \$10.4M equity.
EPS: Nov. Feb. May Aug. Year
FY'79 d 7c d41c d24c d1.31 d\$2.93a
FY'80 d12c d68c d44c 1.25 1c

a-Adj. for 2-for-5 split 10/15/79.

Position: Co. successor to mtg. trust; since 1974, liquidating holdings resulting from construction/development lending to pay debt, all bank at 132% of prime. High prime & poor RE market have been hurting; co. defaulted on \$623T payment 3/80, since paid, but owes \$4.2M (plus accrued interest) 1/31/81. Can't foreclose on \$5M loans due 11/80 (31% assets) as collateral owners file for Chap. XI. Assets 69% Tex. & Fla.; 29% apts., 19% land. Comment: Long-term hold below book; must retire debt; eventually expect trust to liquidate, reinvest in securities for tax-free income. Lee Balter/Reed Rubin w/22.7% of shs. control.

3N-API TRUST: \$3.38 (APITS-OTC) SHARE DATA:
1012T, Net book \$ 7.79; Deprec. \$1.10; Loss resv. \$0.68; Taxloss \$N/A. ASSETS \$26.2M: 32% Invstmt prop, 68% Mtgs, 0% Foreclosed; 9% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$18.7M debt is 2.4X \$7.9M equity.
EPS: June Sept. Dec. Mar. Year
FY'80 3ca 50ca 9ca d48ca 14ca
FY'81 d10c

a-Incl. 47c gain.

Position: Trust established by Arlen Realty & Devel. Corp. 6/71. Fiscal '80, trust revenues derived 31% from props. & 69% from mtgs.; ARDC as tenant or borrower was source of 41% of revenues. Debt is \$11M mtgs., \$5M bank, & \$2M convt. note held by ARDC; bank debt @ prime + 1.5%, due 9/1/81; ARDC plans to convert \$2.3M notes & will hold 36% of shs. Props. are mainly shop. ctrs.; Mtgs. include \$6M loans to ARDC. Comment: Spec. on asset sales to pay banks; First Carolina & Brent Baird own 25.8% & may seek to takeover management; Shelbourne Assoc. own 7.9%.

1 -BANKAMER RLTY: \$25.63 (BRE-NYSE) SHARE DATA:
3571T, Net book \$17.64; Deprec. \$1.38; Loss resv. \$0.55; Taxloss \$0.00. ASSETS \$167.6M: 43% Invstmt prop, 56% Mtgs, 1% Foreclosed; 8% nonearn + 0% lowearn. DIVIDEND: \$2.00. FINANCE: \$104.8M debt is 1.7X \$63.0M equity.
EPS: Oct. Jan. Apr. July Year
FY'80 23c 31ca 31ca 59ca \$1.44a
FY'81 61ca

a-Sale gains: 15c '80; 13c '81. Position: Trust props. about half owned RE and half land purchase leasebacks; total port. is

42% shop. ctr., 25% apt., 13% hotel, 11% off.; 59% Calif., balance in 9 other states. Appraised value 7/80 approx. \$152M for book of \$39.50/sh. Debt pro forma for 10/1/80 sale of \$40M 9½% cvt. debens. due 2000 incl. \$32M comcl. paper & \$10M bank at 8.8% to 12/81, 117% prime to 12/83. Low-earning assets included in nonearning category. Portfolio improving; non-earning cut to 6% at 10/30/80. Buying 6-¾% convts in mkt. f/sinking fund. Div. for 1979 79% cap. gains. Comment: Buy long-term; focusing on equities, value est. conservative; rate exposure cut by debens. DeRance owns 5%; SDK Ind. Parks 6.2%. (Ranked No. 1 10/24/80 @ \$25.00)

2N-BAY FINCL CORP: \$7.50 (BAY-NYSE) SHARE DATA:
3334T, Net book \$ 6.93; Deprec. \$0.23; Loss resv. \$1.58; Taxloss \$9.96. ASSETS \$152.8M: 71% Invstmt prop, 29% Mtgs, 0% Foreclosed; 56% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$123.8M debt is 5.4X \$22.8M equity.
EPS: Aug. Nov. Feb. May Year
FY'80 d3c d16c 22ca 47ca 50ca
FY'81 8c

a-26c swap, debt repurch. & taxloss & 28c sale gains.

Position: Holding co. successor to leaseback/mtg. trust. Assets 64% completed props., 22% land, 14% construction; 20% land leasebacks; 16% Cal., 17% NY, 13% Ga., 11% Tex. Earning leasebacks & L/T mtgs. yield 13.2%, earning props. yield 19%. Total portfolio yield 6.46%. Nonearn includes \$17M NYC apt. expected to be fully occupied yr-end. Agree to sell 3 land invstmt. 2/81 for \$2.85M (85c/sh.) gain. Debt \$9.2M @ 12½% due 2/81, new agmt. cancels conting. int. for 75c/sh. gain, \$63M @ 8½% due 5/86, \$29M mtgs. on props. FY'80 purchased \$572T 8½s in mkt. for sinking fund; 3c/sh. gain. BAY seeking new invest., expanding activities, but acq. of CA insurance co. fell thru. Continuing "discussions" re bus. combination. Comment: Hold/buy longer term for slow workout, benefits of holding co.; DVM, Inc., CA realty co., owns 7.5% & President on board.

2N-BAYSWATER RLTY: \$8.50 (BRITS-OTC) SHARE DATA:
1043T, Net book \$20.55; Deprec. \$0.75; Loss resv. \$5.73; Taxloss \$N/A. ASSETS \$37.0M: 48% Invstmt prop, 46% Mtgs, 6% Foreclosed; 33% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$10.1M debt is .5X \$21.4M equity.
EPS: Oct. Jan. Apr. July Year
FY'79 d 1c d50c 35c 22ca 5ca
FY'80 2.73a 1.66a 20ca

a-Incl. sale gains: \$2.18'79; \$5.04 '80.

Position: Props. 44% office & industrial, 29% apts., 24% shop. ctrs.; Mtgs. 94% construction loans. Most assets in Chicago area. Fiscal 1979, real estate equity investments only minimally cash flow positive before trust expenses; high non-earning mtgs. add to difficulties. Trust expects to dispose of \$9.2M invstmnts. through FY 1983; sale gains on props. held less than 4 years for FY'80 may exceed the max. 30% of gross revs. allowed for REITs. Plans change to non-equal. corp. SEC investigating BRITS & Icahn for violations re: Icahn's Hammermill invstmt.

Offered new 10% nonconverts for 6.75% conv. sub. debts. Comment: Hold as speculation on Carl Icahn management. Icahn owns 47.2%.

coln Inv. pres. & sub. own 36.1%; Whitaker Investments own 7.6%. Comment: Trading, long recovery.

3N-BRT REALTY: \$1.50 (BRT-ASE) SHARE DATA:

1400T, Net book \$ 2.17; Deprec. \$0.20; Loss resv. \$2.45; Taxloss \$2.71. ASSETS \$13.6M: 7% Invstmt prop, 62% Mtgs, 31% Foreclosed; 52% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$7.2M debt is 2.4X \$3.0M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'79	d 5c	d 7c	d28c	d97c	d1.37
FY'80	54ca	79ca	d7c		

a-Incl. 54c sale gain.

Position: Assets (11/79) 34% condo, 30% hotel/motel, 24% land/develop.; 21% Conn., 16% Puerto Rico, 12% Ill., 11% S.C. Sold 2 motor inns 5/80 & got interest reversal; Bank debt paid down to \$5.3M, accrues @ ½% over prime to 7/81, paying 1% cash. Ability to meet amortization schedule depends on assets sales. Herbert C. Lust group owns 10.2%.

Comment: Less attractive spec. on recovery.

3N-BT MTG INVSTRS: \$2.38 (BTM-NYSE) SHARE DATA:

2116T, Net book \$ 0.83; Deprec. \$0.14; Loss resv. \$4.65; Taxloss \$8.18. ASSETS \$59.2M: 0% Invstmt prop, 52% Mtgs, 48% Foreclosed; 39% nonearn + 25% lowearn. DIVIDEND: \$0.00. FINANCE: \$46.6M debt is 25X \$1.9M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	22ca	25c	3.79a	11ca	4.37a
FY'80	9cb	d 1c	d44c		

a-Incl. 35c back inter; \$4.54 swap gains & taxloss. b-4c taxloss. Position: Trust has had slower progress in recovery despite the best bank deal in the business. Debt is \$24M bank to 1/14/81 @ 0% if amort. sched. met & \$19M 5-3/4% debts. due 1/82. Unable to make \$10M paymt. 7/15. Holder meeting adjourned twice as BT sought approval of merger into Leroy Prop. & Dev. Co., Nev., w/BT holders getting 20% of shs. Charan Industries, 17.3% owner, opposed but most shs. past record date. But Leroy reduced earnings for 9 mos. to 5/80, & BT "reevaluating". Agmt. w/Bankers Trust (\$10M) to buy out other sr. debt at discount & swap for \$17.4M assets contingent on merger. Comment: Shs. more attractive as merger falls through.

4N-BUILDR INV GRP: \$2.31 (BULDS-OTC) SHARE DATA:

2844T, Net book \$ 1.69; Deprec. \$0.00; Loss resv. \$3.11; Taxloss \$13.75. ASSETS \$63.4M: 60% Invstmt prop, 18% Mtgs, 21% Foreclosed; 31% nonearn + 60% lowearn. DIVIDEND: \$0.00. FINANCE: \$49.3M debt is 10.2X \$4.8M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	46c	d35ca	0ca	87ca	1.01a
FY'80	23cb	10cb	13cb		

a-\$2.86 taxloss, swap & debent. repurch. gains; doesn't add on fewer shs. b-40c taxloss, swap & debent. repurch. Position: Has swapped over three-fourths of assets to banks, but ran into problems in late 1979 when remaining assets (heavy condo & land) proved resistant to liquidation efforts. Renegotiating \$28M bank @ 3% in default 12/79. Assets pledged; sales entail contingent interest. Early 1979, issued 1M warrants exercisable @ \$1.72 in suit settlement. Lin-

2N-CAMERON-BROWN: \$5.50 (CB-NYSE) SHARE DATA:

2016T, Net book \$ 8.76; Deprec. \$0.67; Loss resv. \$2.87; Taxloss \$5.56. ASSETS \$38.2M: 13% Invstmt prop, 35% Mtgs, 52% Foreclosed; 52% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$14.1M debt is .8X \$17.7M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	25ca	92ca	1c	1c	\$1.19a
1980	d11c	d13c	d61cb		

a-Incl. \$1.28 swap & 16c sale gains '79.

b-Incl. 15c sale gain & d49c litigation.

Position: Since running into difficulties w/construction & develop. loans in 1974-5, has concentrated on selling/swapping assets to pay banks. Locations (Fla. 30%; GA 19%; N. C. 17%; MD 17%) help, but undeveloped land (27% assets, 14 parcels) + 12% in development hurts. Avg. mtg. yield 9.6% 9/30/80; oper. props: 4 apts. w/730 units, 17% assets. Credit agreement for \$11M to 12/81 @ prime + 2%, max. 15%. Pay 10% cash in '80; if repaid will issue 275T wts. f/over \$2.7M accrued int. Best assets gone, limiting sales. Charter Oaks owns 7.1% & M. Cogan/S. Swid 5.2%. Comment: Recovery spec., hurt by higher rates on credit agmt. 12/12/80 asking holder approval to convert to Sunstates Corp. holding company.

2N-CENTRAL MTG&RLY: \$12.00 (CHRTS-OTC) SHARE DATA:

775T, Net book \$15.26; Deprec. \$0.49; Loss resv. \$0.67; Taxloss \$2.40. ASSETS \$12.5M: 12% Invstmt prop, 73% Mtgs, 15% Foreclosed; 11% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$0.4M debt is 0X \$11.8M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'80	29cb	23c	60cb	41c	\$1.53b
FY'81	39c	39c			

b-Incl. 3c inter. recovery & 28c sale gains.

Position: Trust smaller Midwestern lender successful in both reducing level of nonearning assets and in eliminating bank debt. Assets 21% Ind., 30% Mo., 12% Minn. Liquidation plan calls for \$6/sh. div. (over 80% taxfree cap. gain) mid-1981, next payment E\$6 in 1983 when taxloss used up. Distributions depend on payment of mtgs. & decision on 2 principal props. Comment: Hold/arbitrage on breakup at book. Peregrine/Strangis/Kaplan own 28.1% & hold 3 board seats; assumed management.

3N-CI MTG GROUP: \$7.25 (CI-PHSE) SHARE DATA:

4812T, Net book \$ 8.68; Deprec. \$0.20; Loss resv. \$1.04; Taxloss \$9.14. ASSETS \$47.2M: 54% Invstmt prop, 36% Mtgs, 10% Foreclosed; 40% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$1.1M debt is 0X \$41.8M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'79	\$9.19a	57ca	44ca	65ca	\$10.85a
FY'80	1.17a	d1ca	2ca		

a-Extraordinary & sale gains: \$11.18 '79; \$1.24 '80.

Position: Trust began in 1969 as construction lender; from 1974 to 1979, engaged in swaps & asset sales to repay banks. With elim. of bank debt 2/79, trust managing remaining prop. (assets 44% apts., mostly Northeast), but land/devel. remains high (35%). Reorganization

as corp. defeated 7/80; now self-administered. Former sponsor, City Investing, sold 21.4% interest 10/22/80 to Moraga Corp. f/\$10M (\$9.69/sh.) cash. Comment: Speculation on recovery, Moraga interest.

3 -CITIZENS GROWTH: \$5.75 (CITGS-OTC) SHARE DATA: 801T, Net book \$ 8.91; Deprec. \$0.00; Loss resv. \$1.11; Taxloss \$7.52. ASSETS \$8.0M: 27% Invstmt prop, 43% Mtgs, 31% Foreclosed; 33% nonearn + 0% lowearn. DIVIDEND: \$0.20. FINANCE: NO debt over \$7.1M equity.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'80	4c	0c	1.86b	d20c	\$1.70b
FY'81	12ca	16ca			

a-Incl. 11c taxloss benefit. b-Incl. 57c taxloss & \$1.21 sale gain.

Position: Trust began as smaller equity trust; ran into problems on invs. originated by Fla. mtg. banker. Results improving, has paid off all debt. Dividend resumed 4/80. Assets 27% other REITs (owns 25% of ICM Rlty. w/ Eastover), hotels & motels. Comment: Hold as spec. on 34.1% interest by Chrmn. Brent Baird & new manager Eastover Corp.

5N-CITIZENS MTG: \$0.13 (CZM-OTC) SHARE DATA: 1421T, Net book d\$13.29; Deprec. \$0.64; Loss resv. \$11.69; Taxloss \$12.39. ASSETS \$62.8M: 0% Invstmt prop, 44% Mtgs, 56% Foreclosed; 51% nonearn + 9% lowearn. DIVIDEND: \$0.00. FINANCE: \$76.0M debt over d\$18.9M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	25c	22c	55c	d38c	64c
1980	29c	30c			

Position: Trust filed Chap. X 10/78 after trustee Chemical Bank called \$20M of 8½% notes, in default since 10/76. Reorganization trustee filed suit 10/80 against former sponsor, auditors & trustees. Comment: Noteholders committee for 8½s formed 2/79; notes are high-risk play that former sponsor Manufacturers Hanover, NYC, pays on notes; otherwise absolute priority rule in Chapter X wipes out notes.

1 -CLEVETRUST RLTY: \$10.63 (CTRI-OTC) SHARE DATA: 2525T, Net book \$10.61; Deprec. \$3.03; Loss resv. \$2.95; Taxloss \$6.61. ASSETS \$74.3M: 46% Invstmt prop, 21% Mtgs, 32% Foreclosed; 36% nonearn + 6% lowearn. DIVIDEND: \$0.28. FINANCE: \$40.2M debt is 1.5X \$26.8M equity.

EPS/CFS:	Dec.	Mar.	June	Sept.	Year
FY'79	2/7c	d1/6c	16/27cb	d3/9c	13/49cab
FY'80	2/13ca	5/15ca	5/16a		

a-Taxloss benefit: 5c '79; 5c '80. b-Non-recurring lease settlement: 14c.

Position: Trust is gradually becoming a prop. trust as it upgrades return on foreclosed props. & substitutes perm. mtgs. f/bank debt. Assets are 50% office/commercial, 30% apts., 15% land leaseback; 30% Tex., 16% Ill., 13% Colo., 11% Ohio. \$14M bank debt at 7½% to 1982. Sold Cleveland bldg. & Dallas apt. complex 9/80 & agreed on add'l apt. sale. Trust seeking new investments, paying dividend despite nonqual. status. Trust buying back Tulip Real Estate & Champion Assets Mgmt. 22.4% interest thru prop. swap. Comment: Buy/hold for long-term recovery; superior management, low interest exposure. (Ranked No. 1 5/25/79 at \$6.50)

2N-CMT INVESTMT CO: \$5.13 (CMTIS-OTC) SHARE DATA: 2052T, Net book \$ 3.59; Deprec. \$1.29; Loss resv. \$1.72; Taxloss \$20.47. ASSETS \$72.1M: 12% Invstmt prop, 71% Mtgs, 17% Foreclosed; 2% nonearn + 33% lowearn. DIVIDEND: \$0.00. FINANCE: \$57.9M debt is 3.9X \$15.0M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	11ca	2c	0c	8c	21ca
1980	8c	22ca	26ca		

a-Incl. nonrecur gain: 11c '79; loss resv. credit 20c '80.

Position: Trust changed its focus in 1979 to improve return on foreclosed props. and reduce impact of low or nonearning loans on portfolio following confirmation of Chap. XI Plan in 1978. Assets are 30% apts., 38% motels, 8% shop. ctrs.; 28% Okla., 14% La., 13% Tex., 12% Calif., 12% Ga. Sold mobile hm. park f/\$1.01/sh. gain 12/80 qtr. Debt: \$56M secured bank debt @ 8% to 12/84 from Chap. XI settlement. Changing to nonqual. corp. early '81. Comment: Hold/buy for moderate long-term recovery; preferred (2127T shs. w/\$7.50 liquidation value) favored. Deltec holds 12.1% of combined shares.

3 -COMMONWLTH RLT#: \$11.00 (CRTYC-OTC) SHARE DATA: 1384T, Net book \$ 5.82 + Deprec. \$4.09; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$20.0M: 98% Invstmt prop, 2% Mtgs, 0% Foreclosed; 3% nonearn + 0% lowearn. DIVIDEND: \$0.40. FINANCE: \$11.5M debt is 1.4X \$8.1M equity.

EPS/CFS:	Feb.	May	Aug.	Nov.	Year
FY'79a	2/16c	9/15c	7/15c	3/15c	21/61b
FY'80a	8/16cb	8/26b	12/22cb		

a-Adj. f/3% stk. div. 12/79 & 6/80, & incl. VFEM cash flow. b-Sale gains 4c '79; 9c '80.

Position: Assets are mainly office buildings, including a 60% int. in VFEM Assoc. Sold 2 MD shop. ctrs. 11/80 f/\$1.95/sh. installment gain, 50c in '80. Debt all mtgs., paid off \$893T bank 11/80. Pay 3% stock div. in Dec. Country & New Town Properties owns 43%, to buy 17% more in 1/81. Comment: Hold for improving position after sales.

1N-COMPASS INV GP: \$1.31 (CMPSS-NYSE) SHARE DATA: 10371T, Net book \$ 2.24; Deprec. \$0.08; Loss resv. \$0.31; Taxloss \$1.97. ASSETS \$28.5M: 17% Invstmt prop, 36% Mtgs, 47% Foreclosed; 41% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$6.4M debt is .3X \$23.2M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	15cb	d 4c	5cb	1c	17cb
FY'80	d 4c	d13c	10ca		

a-9c debt exting. gain. b-4c taxloss benefit & d2c debt repurchase loss.

Position: Following payment of bank debt w/ swaps & sale gains, trust converted \$9.5M of 8½% sub. debs. into 7M shs; \$4.3M exchanged for new 16½% sr. subor. non-converts due '84 + \$250 cash. Assets are 38% apts., 31% land; 68% Fla., 13% Colo., 13% Ga. Amer. Fincl. sold 9/80 49.9% common to Compass at \$2.25/sh. & Pacific Co. at \$2.75/sh.; Pacific Co. & John Wertin, Compass chrm., now own about 56%. Comment: Spec. on Wertin control, workout of Sunbelt properties.

(Ranked No. 1 4/13/79 at \$1.50)

- 1 -CONN GENL M&R #: \$27.00 (CGM-NYSE) SHARE DATA: 5901T, Net book \$18.44 + Deprec. \$2.38; Loss resv. \$0.63; Taxloss \$0.00. ASSETS \$333.3M: 52% Invstmt prop, 45% Mtgs, 3% Foreclosed; 1% nonearn + 0% lowearn. DIVIDEND: \$2.20. FINANCE: \$252.4M debt is 2.3X \$108.8M equity.
EPS/CFS: June Sept. Dec. Mar. Year
 FY'80 35/66b 33/61b 50/84b 44/57b 1.62/2.68b
 FY'81 51/61a 38/66
 a-Incl. 7c sale gains. b-Incl. 36c sale gains & 16c debt repurch. gains.
Position: Over past four yrs., trust has invested only in props.; short-term mtgs. have fallen to \$13M from \$210M peak. Assets are 36% shop. ctr., 29% Calif.; Partnerships expanding rapidly, trust has \$48M interest in \$166M props. Gains on distributions in excess of ptrnshp. inc. deferred. Most trust debt fixed rate: \$95M term debt most @ 8.75%, \$50M @ 11½%, \$38M mtgs., \$69M convertibles. Dividend reinvestment plan. Comment: Buy on dips for long-term equity buildup. (Ranked No. 1 11/11/77 at \$19.88)
- 3 -CONSOL CAP RLY#: \$32.50 (CCPLS-OTC) SHARE DATA: 1989T, Net book \$16.94 + Deprec. \$11.16; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$126.4M: 79% Invstmt prop, 21% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.64. FINANCE: \$94.4M debt is 2.8X \$33.7M equity.
EPS/CFS: Feb. May Aug. Nov. Year
 FY'80 3/56b 2/56 d3/50 2.08/2.73 2.10/4.35ab
 FY'81 36/83a 23/72 85/1.33a
 a-Incl. sale gains: \$1.84 '80, 29c '81.
 b-Incl. 6c refinancing gain.
Position: Trust depreciation & financing practices are designed to maximize cash flow available for distribution, w/result 1980 1st half div. 17% cap. gains & 48% capital return. Reported book declines over time, but book + deprec. stable. Condo potential in apts. provides upside. Assets 82% apts. w/ 7,111 units, 16% shop. ctrs.; 51% Tex. Debt all mtgs. Comment: Buy/hold for spec. income; balloon payments on debt are risk.
- 4N-CONTINENTAL MTG: \$0.41 (CMI-OTC) SHARE DATA: 20838T, Net book d\$ 1.07; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$13.29. ASSETS \$11.3M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 100% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$45.9M debt over d\$27.8M equity.
EPS: June Sept. Dec. Mar. Year
 FY'80 13ca 28ca 22ca d51c 12ca
 FY'81 26ca
 a-Incl. taxloss benefit: 6c '80, 13c '81.
Position: Once second largest construction/development mtg. trust, CMI filed Chap. XI 3/8/76 & shifted to Ch. X 5/1/79. Compromise wld. transfer \$458M cash & props. to settle \$560M bank & other sr. debt, leaving CMI w/ \$13M cash & 600-lot Hawaii Loa Ridge tract w/\$34.8M present value (\$11.3M historic cost). Pro forma book value d\$1.33 @ historic cost & d29c @ present value. New CMI wld. owe \$47.4M to 6½% subor. debens. & one suggestion would issue 48.6M new convt. pfd. shs. (70% voting power) to subor. debt. Former mng. trustee & adviser settled SEC suit by paying \$2M into escrow for shhldrs. Comment: Shares and bonds speculation on Hawaii land sales.
- 2 -DENVER REI ASN#: \$37.00 (DENVS-OTC) SHARE DATA: 1101T, Net book \$ 8.31 + Deprec. \$9.87; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$49.4M: 94% Invstmt prop, 6% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.40. FINANCE: \$40.4M debt is 4.4X \$9.1M equity.
EPS/CFS: Mar. June Sept. Dec. Year
 1979 6/32 48/74a 21/45 45/66 1.20/2.17ab
 1980 12/36c 19/36c 38/61
 a-Incl. 32c sale gain. b-Incl. 2c debt repurch. gains.
Position: Trust invests only in Denver props. Assets are 42% office, 31% commercial, 19% shop. ctr.; 3 props. provide 70% of revs. Debt is \$36M mtgs., \$4M subor. debts. Belzberg group, 6% owner, raise tender offer to \$37.15/sh. to 12/22 for payment either '80 or '81; matches Romanek-Golub, Chicago, offer for assets. Holders get 35c/sh. div. Comment: Hold for sale; tender.
- 2N-DMG INC: \$4.00 (DMG-NYSE) SHARE DATA: 7326T, Net book \$ 7.63; Deprec. \$0.00; Loss resv. \$2.84; Taxloss \$7.69. ASSETS \$132.3M: 6% Invstmt prop, 58% Mtgs, 36% Foreclosed; 61% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$57.6M debt is 1X \$57.4M equity.
EPS: Mar. June Sept. Dec. Year
 1979 d33c d5c d12ca d13c d63ca
 1980 2c d6c d20c
 a-Incl. 3c sale gain.
Position: Became holding co. 9/30/80. Talking to 3 public corps. on merger, consolidation or new capital. Debt is \$42M term + \$15M revolving, @10% '80, rising to greater of 11% '81 & 12% '82 or prime + 2% up to 15%, accruing contingent int. above net cash inc. Assets are 63% secondary & 16% primary homesites & 7% unimproved land. Land sales are hurt by recession. Comment: Shares are speculation on merger & large taxloss; MEI Corp. owns 7.6%; David Murdock 7.6% & may join board.
- 3N-DOMINION M&R: \$3.25 (DMRTS-OTC) SHARE DATA: 3364T, Net book \$ 1.14; Deprec. \$0.90; Loss resv. \$0.32; Taxloss \$3.09. ASSETS \$28.7M: 0% Invstmt prop, 32% Mtgs, 68% Foreclosed; 16% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$24.2M debt is 6.3X \$3.8M equity.
EPS: Aug. Nov. Feb. May Year
 FY'80 82cb 3.52b 18cb 20c \$3.02b
 FY'81 15c
 b-Incl. \$2.89 debt exting. gain, 66c taxloss benefit, 46c pretax sale; doesn't add on more shs. Position: Court affirmed Chap. XI plan 11/16/79; bondholders now own 71% shares, banks 8%. Debt is \$9.4M bank; has met mandatory payments thru 5/31/81. Assets largely apts. & condo, most South. Brent Baird owns 9.9% & now president. Comment: Spec. on sales.
- 1 -EASTOVER CORP: \$15.25 (EASTS-OTC) SHARE DATA: 1034T, Net book \$18.49; Deprec. \$0.01; Loss resv. \$0.43; Taxloss \$6.10. ASSETS \$25.2M: 41% Invstmt prop, 35% Mtgs, 23% Foreclosed; 18% nonearn + 0% lowearn. DIVIDEND: \$0.20. FINANCE: \$5.4M debt is .3X \$19.1M equity.
EPS: Mar. June Sept. Dec. Year
 1979r 45cb 42cb 2.86b 80cb 4.53b
 1980 20ca 31ca 1.05a
 a-Incl. 61c taxloss benefit & 36c sale gain.
 b-Incl. \$1.96 taxloss ben., 32c pretax sale &

\$2.18 pretax litig. gain. r-Restated.

Position: Following elimination of debt under its credit agreement in 1978, trust policy has been to liquidate existing investments, to make limited equity investments, & to explore mergers/acqs. Assets now 41% invs. in other REITs (28.9% Parkway Co., 20% ICM Realty, 10% Citizens Gro., 6% Amer. Rlty., 1.3% First Carolina); equity method of accounting used to acct. f/all REIT invs. except First Caro. & Amer. Rlty. Mtgs. 51% land. Debt 81% fixed-rate mtgs., rest bank. Instituted semi-annual dividend. Comment: Spec. on work-out, merger deals in evolving role as specialty investment co. under new mgmt. Jackson, Miss. broker Leland Speed owns 11.2%, Trustee Brent Baird 8.1%.

(Ranked No. 1 4/13/79 at \$9.00)

3 -EQUIT LF MTG&RL: \$10.63 (EQ-NYSE) SHARE DATA:

5663T, Net book \$22.93; Deprec. \$0.39; Loss resv. \$0.57; Taxloss \$0.00. ASSETS \$316.8M: 12% Invstmt prop, 81% Mtgs, 7% Foreclosed; 11% nonearn + 0% lowearn. DIVIDEND: \$1.40. FINANCE: \$180.4M debt is 1.4X \$129.8M equity. EPS: Jan. Apr. July Oct. Year
FY'79 48cr 50cr 52cr 36c \$1.87
FY'80 40ca 35c 7cb d27c 55c

r-Restated. a-Incl. 5c mtg. prepayment gain.

b-Incl. 32c loss provision.

Position: Following 1974-75 RE recession, trust emphasized short-term lending, leading to recent difficulties. Spread on leveraged invs. widened 108 basis points in July Q, but still negative, -.09%, at qtr. end. Overall, debt is \$107¹/₂M short-term tied to prime & incl. \$49M comcl. paper; \$50M float rate notes 1% over mkt. yields due '87; notes could convert into 9% debentures before 9/1/86.

Assets 43% short-term mtgs., 38% long-term mtgs., 27% floats w/prime. Trying to stimulate bldg. by making mtgs. in land develop. invests. Loss prov. in July Q on SC condo doesn't affect taxable income or dividend.

Comment: Hold through int. rate peak to lock in yield, ride up price.

1 -FEDERAL REALTY#: \$20.00 (FRT-ASE) SHARE DATA:

1884T, Net book \$10.90 + Deprec. \$4.21; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$58.8M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.72. FINANCE: \$39.3M debt is 1.9X \$20.5M equity. EPS/CFS: Mar. June Sept. Dec. Year
1979 24/31c 18/25c 13/20c 30/49c 85/1.26
1980 33/39c 22/34c 12/39c

Position: Trust assets are in shop. ctrs. (78%) & apts. (12%). Most assets Wash., DC area, but diversifying Southeast. Purchased 8/80 6 shop. ctrs. w/943T sf from Amterre Dev. FRT has one of highest operating returns on props. In all, has 2,844T sf in 19 shop. ctrs, 1074 units in 5 apts. Debt: 99% mtgs. & lease obligs. Sold 450T shs. 8/80 @ \$19.75. Comment: Buy/hold for income and growth from property management and purchase. (Ranked No. 1 12/8/78 at \$16.50)

1N-FGI INVESTORS: \$5.50 (FGI-OTC) SHARE DATA:

1927T, Net book \$ 7.28; Deprec. \$0.00; Loss resv. \$3.94; Taxloss \$2.85. ASSETS \$38.2M: 9% Invstmt prop, 14% Mtgs, 76% Foreclosed; 75% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$19.1M debt is 1.4X \$14.0M equity.

EPS: Feb. May Aug. Nov. Year
FY'79 40cb 1.22b 1.82b d56cb 2.88b
FY'80 11ca d43ca 2ca

a-Incl. \$1.32 swap & taxloss gains.

b-Incl. 96c swap, \$1.43 taxloss gains.

Position: Trust began as short-term mtg. lender, but portfolio problems overshadowed by long-term troubles w/dissident shhldr. group led by Phila. insur. man Sidney Baer. Baer interests bought out at \$5.45/sh. Lend Lease Corp. (Aus.) now owns 39% plus wts. for 400T shs. Gave FGI 193T shs. Int'l Income Prop. Inc. & \$4.05M cash w/IIP shs. to be distributed to FGI shhldrs. by 11/80 on 1 for 10 basis. Lend Lease to advise on develop. of Fla. land, has 2 bd. seats. Swapped assets + cash to repay \$20.5M to Fidelcor Inc. sub. Assets 54% land; 25% PA, 46% Fla.

Comment: Buy/hold for presence of Lend Lease trustees.

(Ranked No. 1 4/13/79 at \$4.50)

2 -FIRST CARO INV: \$8.75 (FCARS-OTC) SHARE DATA:

1472T, Net book \$15.18; Deprec. \$0.00; Loss resv. \$0.70; Taxloss \$1.53. ASSETS \$26.8M: 16% Invstmt prop, 54% Mtgs, 30% Foreclosed; 21% nonearn + 24% lowearn. DIVIDEND: \$0.10. FINANCE: \$3.0M debt is .1X \$22.6M equity.

EPS: Mar. June Sept. Dec. Year
1979 15ca 13cba d28cac 16ca 16cab
1980 22ca 17ca 15c

a-8c taxloss '79; 19c '80. b-Incl. 3c sale gain. c-Incl. 54c loss prov. on La. hotel.

Position: Trust has made substantial progress in liquidating assets & retiring debt; made new inv. 7/79 in 631 acres undevel. land zoned for 2,300 units. Mtgs. are medium & long-term; assets 50% N.C. Repurchasing shs. Dec. qtr. will close Grand Hotel sale & \$1M in land sales. Broker Brent Baird & Eastover Corp. own 19%. Trust/Baird owns 25.8% API Trust, may seek control. Comment: Recovery and/or liquidation speculation.

3 -FIRST CONTNL RE: \$7.25 (FCRES-OTC) SHARE DATA:

2106T, Net book \$10.41; Deprec. \$0.00; Loss resv. \$0.53; Taxloss \$0.00. ASSETS \$29.4M: 0% Invstmt prop, 94% Mtgs, 6% Foreclosed; 8% nonearn + 0% lowearn. DIVIDEND: \$1.22. FINANCE: \$8.1M debt is .4X \$21.9M equity.

EPS: May Aug. Nov. Feb. Year
FY'80 36c 32c 34c 21c \$1.23
FY'81 31c 31c

Position: A smaller construction lender, trust has benefited from concentration in its Texas base. Assets are 85% Tex., 15% Okla.; 61% construc., 29% devel. Debt restrains gains; \$8M bank under \$33.5M lines @ 1/2% over prime + compens. bal.; 1% prime=1/2c/sh. qtr. 85% of earn. loans tied to prime. Must pledge asset = debt if demanded. Comment: Hold for spec. income, price moves w/ interest rates.

3N-FIRST DENVR MTG: \$3.00 (FDENS-OTC) SHARE DATA:

1621T, Net book \$ 5.36; Deprec. \$0.30; Loss resv. \$3.87; Taxloss \$9.85. ASSETS \$39.4M: 9% Invstmt prop, 63% Mtgs, 27% Foreclosed; 23% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$24.9M debt is 2.9X \$8.7M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	d10c	54ca	7ca	d2.07a	d\$1.56a
FY'80	3cb	d51c	39cb		

a-Incl. d76c asset swap & taxloss. b-Incl. 31c sale gains.

Position: This former construction lender swapped assets aggressively to retire bank debt, but sizable debt remains. \$21.4M bank debt due 12/80 @ 10%, up from 6½% in '79, + \$3½M non-int. bearing notes; assets pledged. Discussing sale of mtg. loan portfolio + common to pay debt. Assets 12% land, 14% condo-secondary, 10% condo-primary, 23% motels. Most Colorado. Deltec Panam. owns 6.9%. Comment: Spec. on sales.

2N-FIRST MTG INVST: \$1.88 (FMTGS-OTC) SHARE DATA:

9276T, Net book \$ 3.64; Deprec. \$0.52; Loss resv. \$1.56; Taxloss \$9.68. ASSETS \$168.8M: 34% Invstmt prop, 60% Mtgs, 5% Foreclosed; 14% nonearn + 23% lowearn. DIVIDEND: \$0.00. FINANCE: \$70.3M debt is 2.1X \$33.7M equity.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'80	7cb	2.01b	33cb	d6cb	\$2.35b
FY'81	5ca				

a-Incl. 2c taxloss benefit.

b-Incl. 72c taxloss benefit.

Position: Trust's complex capitalization & high leverage during '70s caused severe problems. Invested assets down from \$600M peak. 6/80 issued 8M wts. @ \$1.06/sh to 7/1/87 plus \$35M 13% secured notes to American Financial & repaid banks. Banks forgave \$48M principal, converted Series A pfd. into 1933T common shs., got 780,524 shs. for \$2.8M accrued interest + 2653T wts. exer. @ 88c + 50% hotel/land sale gains over 5 years. Will issue 1M wts. @ 59c to 12/86 to settle class action lawsuit. Assets 46% hotel/motel. To be FMI Financial Corp. Comment: Spec. on potential benefits of \$4.50/sh. principal reduction from 7/80 refinancing, Amer. Fincl. interest; but high dilution hurts. July qtr. results delayed pending fair value opinion for shares & warrants issued to banks.

2N-FIRST NEWPRT CP: \$4.13 (FNEW-OTC) SHARE DATA:

2342T, Net book \$ 3.66; Deprec. \$1.28; Loss resv. \$4.70; Taxloss \$26.05. ASSETS \$68.5M: 6% Invstmt prop, 53% Mtgs, 41% Foreclosed; 9% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$49.5M debt is 5.8X \$8.6M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'79	34ca	10ca	15ca	d59ca	0ca
FY'80	d3c	30ca	91ca		

a-Incl. 84c sale gain '79; 57c taxloss '80.

Position: Following debt restructure in 1977 through repurch. of \$18M in debts. @ 30% of face value, FNEW has swapped/sold to reduce debt; above incl. \$43M bank credit @ 5%, since cut to \$23M; \$8M due at 10/81, rest by 10/82. Assets are 27% condos, 32% lodgings; 24% Tex., 20% La., 15% Md., 15% FL. Deltec Panamerica owns 14½%. Comment: Long recovery, making progress.

3N-FIRST PENN MTG: \$1.13 (FPM-NYSE) SHARE DATA:

2961T, Net book \$ 0.22; Deprec. \$0.58; Loss resv. \$3.07; Taxloss \$9.60. ASSETS \$68.2M: 0% Invstmt prop, 28% Mtgs, 72% Foreclosed; 63% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$56.3M debt is 86.2X \$0.7M equity.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'79	1.17a	d87ca	d30c	d 9c	d 9ca
FY'80	d 27c	d37ca	d29c	d12c	d1.05a

a-Incl. swap gains: \$2.59 '79, 18c '80.

Position: Trust began mainly as short-term lender. To eliminate \$46M debt for \$20M cash, \$3M prop. & 3.4M shs. f/\$21M gain & increased holder equity from \$1M to \$47M. To finance by rights offer @ \$1/sh. Hallwood Sec., London, to assume control by purchase of unexer. shs. + wts. @ 25c in proportion to shs. (abt. 2.7M shs.) Must close by 12/31/80. Plan corp. status, name change & 1 for 10 reverse split. Assets 39% comcl/indus., 11% condo, 28% land; 17% Mass., 15% FL, 12% Tex., 12% Ill., 11% Mich. Comment: Improved spec. on new money.

1 -FIRST UNION RE#: \$22.75 (FUR-NYSE) SHARE DATA:

5620T, Net book \$ 9.87 + Deprec. \$7.52; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$232.4M: 94% Invstmt prop, 5% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.36. FINANCE: \$160.2M debt is 2.9X \$55.7M equity.

EPS/CFS:	Mar.	June	Sept.	Dec.	Year
1979r	28/50a	29/40	22/33	44/50b	1.25/1.73at
1980	25/33	1.03/1.17b	28/42		

r-restated. a-Incl. 10c litig. gain.

b-Incl. 17c sale gain '79; 72c '80.

Position: Trust specializes in ownership of downtown props. w/ diversified locations. Assets are 49% office w/3,973T sq. ft., 39% shop ctrs. w/4,911T sf. Sold LA off. bldg. 6/80 qtr. Expanding 2 malls in Minn. & Calif. Debt is 74% secured mtgs. w/cost of 7.8%; \$35M 8-3/4% converts. Registered \$50M 25-yr. convertibles. Fair market value of shhldr. equity \$28.86/sh. fully diluted at 6/80. Unicorp Fincl. (Can.) owns 11% + convts. to 5.6%. Comment: Buy for quality income, expanding property holdings. (Ranked No. 1 3/23/79 at \$12.25)

2N-FIRST WISC MTG: \$13.50 (FWMTS-OTC) SHARE DATA:

1989T, Net book \$ 4.71; Deprec. \$0.70; Loss resv. \$1.64; Taxloss \$13.89. ASSETS \$60.0M: 68% Invstmt prop, 14% Mtgs, 18% Foreclosed; 14% nonearn + 72% lowearn. DIVIDEND: \$0.00. FINANCE: \$45.9M debt is 4.3X \$10.7M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	0c	2c	0c	3c	5c
1980	d31c	24ca	d68c		

a-Incl. 50c/sh. sale gain.

Position: Begun as short-term lender, trust got into trouble earlier than most, and in 1975 sued its sponsoring bank holding co. for breaches of obligations; \$21M settlement agreed 10/80. Bank debt paid down to \$4M @ 15% mid-Sept. due 12/81; \$32M secured standing loans by banks on props. Sheldon Lubar 10% owner, took board seat 5/80. Comment: For long recovery.

2 -FLATLEY RL INV#: \$7.50 (FLTLS-OTC) SHARE DATA:
1000T, Net book \$ 7.20 + Deprec. \$3.22; Loss
resv. \$0.00; Taxloss \$0.00. ASSETS \$25.0M:
95% Invstmt prop, 5% Mtgs, 0% Foreclosed;
0% nonearn + 0% lowearn. DIVIDEND: \$0.30.
FINANCE: \$18.4M debt is 2.5X \$7.4M equity.
EPS/CFS: Sept. Dec. Mar. June Year
FY'80 11/18c 30/36cb 0/7cc 2/5c 43/66cbc
FY'81 13/16c

b-Incl. 24c mtg.
refinancing gain. c-Incl. 6c gain on asset
sale. Position: Trust avoided problems in
mid-70's by being invested in Mass. base;
most mtgs. foreclosed or repaid and is now
mainly an equity trust. Assets are 34%
apts., 57% shop. ctrs., 81% Mass. Debt is
81% mtgs., \$3M bank @ 115% prime + compens.
balance. David Wolff & Robert Blatt own
15.1% plus wts. for 9.7%. Thomas Flatley
owns 25.5% plus wts. for 18.2%. Comment:
Buy for recovery, increasing revenues on
lease renewals.

1 -FLORIDA GLF RL#: \$18.75 (FGLFS-OTC) SHARE DATA:
997T, Net book \$13.59 + Deprec. \$7.45; Loss
resv. \$0.00; Taxloss \$0.00. ASSETS \$31.1M:
100% Invstmt prop, 0% Mtgs, 0% Foreclosed;
0% nonearn + 0% lowearn. DIVIDEND: \$1.40.
FINANCE: \$18.1M debt is 1.3X \$13.5M equity.
EPS/CFS: July Oct. Jan. Apr. Year
FY'80 23/41a 23/42 23/41 22/39 91/1.63a
FY'81 23/43 26/

a-Incl. prop. sale gains: 2c '80.
Position: FGRT is smaller equity trust owning
13 shop. ctrs. (93% assets) w/1,843T sf, all
but one in Fla.; 7 Tallahassee office bldgs.
w/101T sq. ft. are balance. W/substantial no.
of leases to be renewed in FY'81, strong up-
ward trend in minimum rents expected to con-
tinue. Percentage rentals grew 18% in FY'80,
for 17% of total rentals. Sold idle center
6/80 at book. '79 div. 36% return of capital.
Comment: Buy for appreciation, income from
re-leasing.
(Ranked No. 1 12/8/78 at \$12.50)

2 -FRANKLIN RLTY: \$23.25 (FR-ASE) SHARE DATA:
1534T, Net book \$ 8.94; Deprec. \$8.19; Loss
resv. \$0.00; Taxloss \$1.13. ASSETS \$29.3M:
100% Invstmt prop, 0% Mtgs, 0% Foreclosed;
0% nonearn + 0% lowearn. DIVIDEND: \$0.40.
FINANCE: \$23.1M debt is 1.7X \$13.7M equity.
EPS: Sept. Dec. Mar. June Year
FY'80 0c 63ca 2c d36c 29c
FY'81 20c

a-Incl. 12c taxloss benefit '80.
Position: Trust agreed w/Franklin Rlty. Sh-
hldrs. Assn. to confer on liquidation plan;
would retain RE mgmt. ops (10% gross '80 &
syndication 10% gross). If not approved,
would study return to qualified status. Re-
turn on props. rather low. Props. are 81%
owned, 19% joint venture. Debt is 78% mtgs.,
8% short, 14% convt. (\$81T redeemed 7/80,
rest converted). Landauer Assoc. appraised
@ \$28.67/sh. on fully diluted basis. Block
ownership, as follows: Franklin Rlty. Share-
holders Assn. (Benjamin Elec. Eng., Freder-
ick Crocker Whitman group, Plesset family
group) 24.5%, may take 3 board seats; Harold
Gebert group 6.5%; Forman Pacific Theatres

5.2%; other groups drop below 5% w/debenture
conversion. Comment: Arbitrage on potential
breakup.

3 -FRASER MTG: \$7.25 (FRASS-OTC) SHARE DATA:
1038T, Net book \$16.24; Deprec. \$0.00; Loss
resv. \$0.53; Taxloss \$0.00. ASSETS \$48.1M:
0% Invstmt prop, 98% Mtgs, 2% Foreclosed;
3% nonearn + 0% lowearn. DIVIDEND: \$1.04.
FINANCE: \$39.4M debt is 2.3X \$16.9M equity.
EPS: Aug. Nov. Feb. May Year
FY'80 27c 28c 26ca d4c \$0.77a
FY'81 26c

a-Incl. sale: 2c loss '80.
Position: Conservatively managed mtg. trust
has had low problems but caught in interest
rate squeeze. Mtgs. 68% short-term & 32%
long-term; 85% first mtgs. & 15% second mtgs.;
27% construction, 19% land development, &
54% conventional; 31% Ohio, 25% Florida.
Debt is \$24M bank, \$15M fixed rate. 1% prime
= 6c/sh./qtr. Conn. Mut. Lf. Ins. Co. has
17.5%, & 3 seats, w/option for 140T shs.
Fraser Mtg. Co., 2 seats, manager until 6/83.
Making new investments. Comment: Hold for
recovery, price fluctuates w/interest rates.

1 -GENERAL GROWTH#: \$22.00 (GGP-NYSE) SHARE DATA:
6242T, Net book \$ 2.49 + Deprec. \$4.37; Loss
resv. \$0.00; Taxloss \$0.00. ASSETS \$379.0M:
97% Invstmt prop, 3% Mtgs, 0% Foreclosed;
0% nonearn + 0% lowearn. DIVIDEND: \$0.40.
FINANCE: \$361.8M debt is 23.3X \$15.6M equity.
EPS/CFS: Dec. Mar. June Sept. Year
FY'79 38/50 28/41 30/45 37/50b 1.33/1.86ab
FY'80 35/51 11.41/ 33/45 12/25 12.19/12.87a
11.57

a-Incl. sale gains: 12c '79, \$11.18 '80.
b-Incl. d13c merger expense.
Position: Trust develops & owns/manages en-
closed mall shop. ctrs. & apts. Shop. ctrs.
are concentrated in medium-sized Midwestern
cities where GGP dominates trading area &
forestalls competitors. Trust sold 10 ctrs.
accounting for 45% of net equity & 40% of
net oper. inc. Mar. Q. Remaining assets are
68% shop. ctrs. w/8M sq. ft.; 14% apts. Debt
is 89% secured notes & mtgs. Bucksbaum trusts
have total 24% interest. Div: Paid \$15/sh.,
part cap. gains, 5/80; 1979 div. 80% tax-
free. Comment: Buy/hold on superior value
creation, possible final \$30+/sh. breakup
some 2-3 years away.
(Ranked No. 1 11/79 @ \$35.38, bef. \$15 div.)

2N-GMR PROPERTIES: \$2.75 (GMR-NYSE) SHARE DATA:
2957T, Net book \$ 2.32; Deprec. \$0.40; Loss
resv. \$2.57; Taxloss \$9.89. ASSETS \$37.9M:
21% Invstmt prop, 35% Mtgs, 44% Foreclosed;
30% nonearn + 9% lowearn. DIVIDEND: \$0.00.
FINANCE: \$24.6M debt is 3.6X \$6.9M equity.
EPS: May Aug. Nov. Feb. Year
FY'80 d 3cb d3cb 17cb d40cb d28cb
FY'81 d 1c 8ca

a-Incl. 47c swap gain. b-Incl. 2c debent.
repurch. gain & net 0c taxloss benefit.
Position: Trust is seeking to convert from
mtg. lender to property owner/manager; Agreed
to combine into Grubb & Ellis w/GMR holders
to own 45%. Aggressive swapping Aug. qtr.
cut bank debt to \$8.8M from \$20M, added \$1.1M

to loss reserve. Debt is bank + other debt \$15.3M 8½% due 12/87. Assets are 31% long-term mtgs. Deltec-Panamerica owns 13.3%. Gulf Capital Mgmt. became advisor 5/80. Comment: Spec. on merger, recovery.

2 -GOULD INVESTOR#: \$14.25 (GTR-ASE) SHARE DATA: 1173T, Net book \$ 9.35 + Deprec. \$11.62; Loss resv. \$0.31; Taxloss \$0.00. ASSETS \$43.5M: 89% Invstmt prop, 11% Mtgs, 0% Foreclosed; 1% nonearn + 0% lowearn. DIVIDEND: \$1.36. FINANCE: \$33.5M debt is 3.1X \$11.0M equity. EPS/CFS Dec. Mar. June Sept. Year
FY'79 50/56a 29/34 68/71a 15/24a 1.62/1.85a
FY'80 2.14/2.21a 17/24a 28/36a

a-Incl. sale gains: 63¢ '79, \$1.98 '80.

Position: Trust began as N.Y.C. property co. & began lending in early '70s. Problem mtgs. led to acquisitions, w/ result that Gould emerges as equity trust owning shop. ctrs. & apts. in Midwest & office bldgs. Props. are generally low cost, low visibility. Assets are 19% NYC off.; debt is 86% secured mtg.; bought Fla. & NY off. bldgs. & lease-backs in Fla. & NJ for lower cash flow & EPS short-term. Gould's combination w/Plaza Rlty. fell through but trust owns 11.2%. Gould family owns 35% of GTR. Comment: Speculative income.

2N-GREAT AMER M&I: \$7.88 (GAMI-OTC) SHARE DATA: 7372T, Net book \$ 6.67; Deprec. \$1.11; Loss resv. \$2.49; Taxloss \$9.36. ASSETS \$220.6M: 43% Invstmt prop, 29% Mtgs, 28% Foreclosed; 31% nonearn + 43% lowearn. DIVIDEND: \$0.00. FINANCE: \$183.1M debt is 3.7X \$49.2M equity. EPS: Oct. Jan. Apr. July Year
FY'79 70ca 59ca 38ca d6ca 1.61a
FY'80 3cb 6cb 4cb d1c 0.12b

a-Incl. 75¢ taxloss benefit & 39¢ sale gain. b-Incl. 44¢ sale gains.

Position: Trust closed Chap. XI plan 4/79; Banks got 50% of sh.; subor. debt 35%. Retains core props. (\$61M apts., \$33M hotel/motel) w/positive cash flow & plans selling remainder, mostly land & apts. Beginning condo conversion of apts. Dean Witter engaged to analyze business proposals. Face amt. of debt incl. \$145M bank @ 3% to 8/87; \$14M subor. debts. (due 8/90 & 8/91); discounted by \$36M which amt. is added to net worth & cuts EPS by abt. \$1.40/sh./yr. Comment: Sophisticated play on Sunbelt realty with high-leveraged fixed rate Ch. XI plan debt. Morgens/Waterfall own 27.6%, Morgens chairman; SZRL has 17.1%, bd. seat.

1 -GREIT REALTY: \$14.50 (GRT-ASE) SHARE DATA: 998T, Net book \$11.26; Deprec. \$12.03; Loss resv. \$0.08; Taxloss \$0.00. ASSETS \$26.8M: 85% Invstmt prop, 15% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.40. FINANCE: \$16.8M debt is 1.5X \$11.2M equity. EPS: Jan. Apr. July Oct. Year
FY'79 17ca 9c 18c d2.01b d1.57b
FY'80 17c 1.81c 22c

a-Incl. 1c sale gain. b-Incl. \$2.20 loss provision. c-Incl. \$1.68 loss resv. credit. Position: An older equity trust, GREIT has recovered from foreclosures on mtg. loans of early 70s. Two of three major props. have

been source of recent earnings drag; a Dayton office bldg. lost its major tenant in '77, vacating 65% of space, 21% re-rented 10/79; & Miami shop. ctr. sold Apr. Q for \$9M, reversing part of Oct. Q loss prov. Land parcel optioned 9/80 f/\$1.4M gain. Assets before sale 55% shop. ctrs., 34% office & urban stores; debt 96% mtgs. Class action suit re: stock purchases 7/71 to 1/72. Unicorp Fincl. (Can.) owns 44.1% & has 2 board seats. GREIT and Unicorp own shs. & wts. for 30% (fully diluted) of San Francisco REI. Comment: Buy/hold on improvement in portfolio, Unicorp interest, plus appreciation of SFI investment. (Ranked No. 1 7/11/80 at \$10.75)

2N-GROWTH REALTY: \$5.50 (GRW-NYSE) SHARE DATA: 2095T, Net book \$ 7.01; Deprec. \$0.28; Loss resv. \$2.39; Taxloss \$9.74. ASSETS \$85.6M: 21% Invstmt prop, 40% Mtgs, 39% Foreclosed; 10% nonearn + 29% lowearn. DIVIDEND: \$0.00. FINANCE: \$61.3M debt is 4.2X \$14.7M equity. EPS: Sept. Dec. Mar. June Year
FY'80 d13ca 71ca d26c 25ca 0.57 a
FY'81 d40c

a-Incl. 95¢ swap gains.

Position: Began as construction lender stressing standard income props.; foreclosed over half its assets, many divested through swaps & sales. Now planning to become nat'l rltty. & mtg. broker; agreed in principle 10/80 to acquire Moran Co., Calif., internat'l real estate development, mgmt. & construction, for 10% of GRW's stock. Moran chrm. to join board. Assets 39% apts., 22% shop. ctrs.; 42% Texas. Debt \$36M bank to 12/81 w/int. accrued to 9% max. Pfd. authorized for acqs. Est. \$6.97/sh. unrealized apprec. over net book 6/80; realized \$1.45/sh. FY'80. Swapped 3 props. w/United Realty Dec. qtr. to clarify ownership. Comment: Attractive spec. on capturing appreciation through asset sales.

2N-GUARDIAN MTG: \$1.06 (GMI.X-PHSE) SHARE DATA: 19010T, Net book d\$ 0.03; Deprec. \$0.00; Loss resv. \$0.99; Taxloss \$5.27. ASSETS \$117.1M: 19% Invstmt prop, 30% Mtgs, 51% Foreclosed; 53% nonearn + 18% lowearn. DIVIDEND: \$0.00. FINANCE: \$108.7M debt over d\$0.6M equity. EPS: May Aug. Nov. Feb. Year
FY'80 74cb 74cb 64cb 2.36b \$4.48b
FY'81 6ca 9ca

a-Incl. 7¢ taxloss.

b-Incl. 40¢ sale gains, \$2.26 taxloss & \$3.85 debt restructure gains.

Position: Chap. XI Plan confirmed 12/79: repaid \$90M bank debt w/cash, mtgs., & other assets; Leaves \$109M bank debt without inter. thru 2/90 (can earn \$16M credit for early payments); New share holdings: Banks 42%, subor. debt 42%, & original holders 16%. Plan left negative book value. Assets 60% land and development, most Fla. Debt \$107M after Sept. payment. Comment: High leverage spec. on Fla. land value gains, use of taxloss.

3N-HAMILTON INV TR: \$4.88 (HAMTS-OTC) SHARE DATA: 2175T, Net book \$ 5.76; Deprec. \$0.00; Loss resv. \$2.68; Taxloss \$2.13. ASSETS \$49.7M: 0% Invstmt prop, 62% Mtgs, 38% Foreclosed; 18% nonearn + 27% lowearn. DIVIDEND: \$0.00. FINANCE: \$31.4M debt is 3X \$10.6M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	29c	d13c	d 8c	d29c	d22c
1980	d17c	7c	88c		

a-Incl. 18c sale gain, 29c int. recovery, & 22c swap gain. b-Incl. \$1.32 swap gain.
Position: Trust steadily reducing debt & liquidating assets. Continuing losses have eroded book, but 2 swaps of earning props. for 46c/sh. gain app'd by mid-Nov. Will increase non-earning to 23% of total. Debt cut to \$11M by swaps @ 10% to 6/81; pay 2% cash + \$6M int. notes. Has \$10M liquid assets. Assets 47% apts., 19% condo, 16% off. bldg., 18% land; 37% Okla. SZRL Inv. owns 5%; Deltec Panam. 10%; Jersey Mtg. Co. 10%.
Comment: Speculation on recovery.

3N-HEITMAN MTG INV: \$1.88 (HTM-ASE) SHARE DATA:
 3292T, Net book \$ 1.69; Deprec. \$0.00; Loss resv. \$2.73; Taxloss \$3.65. ASSETS \$43.9M: 0% Invstmt prop, 68% Mtgs, 32% Foreclosed; 24% nonearn + 64% lowearn. DIVIDEND: \$0.00. FINANCE: \$30.8M debt is 5.5X \$5.6M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	d 5c	d18c	3c	32c	11c
1980	d10c	6c	d1c		

a-Incl. d23c on sales, 8c swap gains.
Position: With repayment of \$60M senior bank & senior subordinated debt, trust was able to begin new commitments 10/79, w/ \$40M mtg. commitment for 825 unit condo conversion. Probably no income until '81. Trust rec'd holder approval 7/80 for direct equity investments, but proposed acq. of Ind. shop. ctr. for 1.2M shs. & \$1.5M mtg. assump. cancelled. Assets are 38% shop. ctrs., 26% land, 27% hotel; 35% Ill., 27% Canada, 16% Calif. Debt is 44% bank @ prime + 1/2% + compens. bal.; 56% 7 1/2% convts. to '92. Comment: Spec. on new investments.

2N-HOMAC-BARNES: \$2.38 (HOMC-OTC) SHARE DATA:
 1908T, Net book \$ 8.47; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$9.96. ASSETS \$57.5M: 84% Invstmt prop, 16% Mtgs, 0% Foreclosed; 89% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$38.0M debt is 2.4X \$16.2M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	d50c	d52c	d23c	8c	d\$1.22b
FY'80	d25c	13c	d51c		

a-Incl. 16c swap gain & 22c sale gain.
 b-Incl. 86c sale gain & 2c taxloss benefit.
Position: Co. is RE investment & develop. co., 9/79 successor to construction/develop. mtg. trust. Assets are 44% condo, 32% land/develop.; 41% Fla., 34% Puerto Rico; high rates have curtailed construction, hurt condo sales. Debt @ 12 1/2% max to 3/81, credit pact for-gives 2% if some principal prepaid. Agrees to swap \$10 1/2M to cut debt to \$18.4M by Dec. 31, other banks must approve. Comment: Spec. on lower int. rates; recession hurts.

1 -HOSPITAL MTG #: \$14.13 (HMG-ASE) SHARE DATA:
 1178T, Net book \$22.75 + Deprec. \$1.21; Loss resv. \$0.14; Taxloss \$0.00. ASSETS \$56.0M: 72% Invstmt prop, 28% Mtgs, 1% Foreclosed; 17% nonearn + 0% lowearn. DIVIDEND: \$1.10. FINANCE: \$31.2M debt is 1.2X \$26.8M equity.

EPS/CFS:	Mar.	June	Sept.	Dec.	Year
1979r	6/14a	51/59a	8/16a	d1/3	64/92a
1980	3/16a	40/46a	32/59		

r-Restated for change to Dec. year.

a-Incl. sale gain: 34c '79; 49c '80.

Position: Trust began as mtg. lender specializing in medical props.; evolving into equity trust w/diverse portfolio. Small equity trust, Transco Realty, owns 28.8% of HMG & 2/80 trusts jointly acquired 75% Grossman Indust. Props., & acquired RE & RE ints. (comcl. props, off., land) plus current assets in liquidation. Sold FL hospital land 10/80 for \$1.70/sh. gain. Paying 50c/sh. spec. div. 1/81. Assets 12/79: 31% medical, 24% land, 21% apt., 21% shop. ctr.; 2/3 FL. Debt 56% float; \$6.4M @ 2% over prime to 12%. Comment: Buy for long term appreciation.
 (Ranked No. 1 2/9/79 at \$9.75)

1 -HOTEL INVESTOR#: \$28.38 (HOT-ASE) SHARE DATA:
 1810T, Net book \$18.08 + Deprec. \$2.37; Loss resv. \$0.23; Taxloss \$0.00. ASSETS \$78.4M: 52% Invstmt prop, 45% Mtgs, 3% Foreclosed; 3% nonearn + 6% lowearn. DIVIDEND: \$2.60. FINANCE: \$46.7M debt is 1.5X \$32.1M equity.

EPS/CFS	Nov.	Feb.	May	Aug.	Year
FY'79	43/58	45/59	66/79	51/64	2.05/2.59
FY'80	87/98a	58/69	70/81	70/	a 2.84/ a

a-Incl. 31c sale gain.

Position: Began as long-term mtg. & equity trust in hotel props., combining RE ownership w/ ability to capitalize on business & economic swings. 6/26/80 formed Hotel Inv. Corp. to hold leases & manage hotels, w/shares paired to trust shares. Most hotels national franch.; sold one of 2 forecl. in Tucson 8/80. Acq'd 10/80 65% equity int. in Dallas Marriott. Debt is \$19M mtg., \$14M secured @ 9-3/4%, \$13M convts. U.S. Steel & Carnegie Pension Fund own 9%. Comment: Buy for stock pairing, superior management, building new hotels.
 (Ranked No. 1 2/9/79 at \$17.88)

2 -HUBBARD REI: \$16.50 (HRE-NYSE) SHARE DATA:
 4004T, Net book \$25.40; Deprec. \$0.59; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$95.1M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.88. FINANCE: \$3.2M debt is 0X \$101.7M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'79	43c	45c	46c	81c	\$2.15a
FY'80	45c	49c	49c	47c	1.90

a-Incl. 17c W.T. Grant & 17c loss res. recvy.

Position: Trust specializes in owning retail & off. props. net leased to third parties. W.T. Grant bankruptcy vacated 24% of props., but trust rode it out, reducing divs. only 25%; all space re-rented by end of FY'79. Assets are 31% retail + 21% supermkt., 26% indus., 22% office.; Major lessees: 21% Safeway, 18% Ashland Oil, 18% Chrysler. Comment: Buy/hold for yield & discount from book; Chrysler bankruptcy could give upside if space vacated and trust could re-lease.

1 -ICM REALTY: \$19.13 (ICM-ASE) SHARE DATA:

3011T, Net book \$15.80; Deprec. \$0.03; Loss resv. \$2.01; Taxloss \$1.13. ASSETS \$63.1M: 53% Invstmt prop, 34% Mtgs, 13% Foreclosed; 30% nonearn + 0% lowearn. DIVIDEND: \$1.40.

FINANCE: \$9.7M debt is .2X \$47.6M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
1979	17c	22c	39c	51cb	1.28b
1980	38cb	35cb	54cb		

b-Incl. sale gains: 28c '80, 22c '79.

Position: Trust specializes in land purchase leasebacks on apts. & shop. ctrs., providing leveraged interests in substantial off-the-balance-sheet real estate. EPS is boosted by percentage rentals, which rose 44% in '80 9 mos. Assets 45% apts., 31% shop. ctrs., 11% land; 52% land leasebacks. Debt is \$6.3M bank to 2/82 at lesser of 120% prime or 1½% over prime + \$3.4M mtg. Eastover Corp. & Citizens Growth own 26%, L. Speed Chrnn., + 2 seats; institutions own 29%. Comment: Buy/hold for leveraged interests, long-term recovery as nonearning assets worked out. (Ranked No. 1 12/21/79 at \$14.25)

4N-INDEPENDENCE CO: \$5.00 (IMGS-OTC) SHARE DATA:

2625T, Net book \$ 3.86; Deprec. \$0.36; Loss resv. \$0.40; Taxloss \$15.24. ASSETS \$16.4M: 0% Invstmt prop, 8% Mtgs, 92% Foreclosed; 1% nonearn + 0% lowearn. DIVIDEND: \$0.00.

FINANCE: \$9.0M debt is .9X \$10.1M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'79	13ca	d7ca	5ca	d3ca	7ca
FY'80	7.37b	d2cb	3cb	18cb	7.40b

a-Incl. 57c sale, swap & taxloss gains.

b-Incl. \$4.08 swap & \$3.46 taxloss gains.

Position: Trust began as construction/devel. lender; ceased new commitments by 7/73. Restructured debt 8/79, conveying to banks all RE invs. except a Va. off. bldg. & 2 developments in Fla. & Va. Debt is \$400T bank @ 8%, rest mtgs. on props. Comment: Spec. on new holding co. status to manage remaining assets. Netter Int'l Ltd. controls 30%, Netter on board.

2N-INDIANA FCL INV: \$4.00 (IFII-OTC) SHARE DATA:

1154T, Net book \$ 8.21; Deprec. \$0.11; Loss resv. \$1.88; Taxloss \$6.85. ASSETS \$27.5M: 9% Invstmt prop, 73% Mtgs, 18% Foreclosed; 40% nonearn + 0% lowearn. DIVIDEND: \$0.00.

FINANCE: \$17.1M debt is 1.8X \$9.5M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'80	d 7c	d17c	d25c	d25c	d74c
FY'81	d19c				

Position: Trust began as combination equity/mtg. trust; changed to corp. 6/79, now emphasizing equity but must sell props. to pay off debt and shies from selling mtgs. at discount. Props. mainly apts. & leasebacks; mtgs. 43% land/devel. Most Indiana. Debt is bank @ prime, expired 10/80 (1% prime = 4c/sh./qtr.), renegotiating, may sell assets. Comment: Spec. hold for Telvest Inc. & Wisc. REIT 17.4% ownership; Clyde Engle on board.

3N-INSTITUTNAL INV: \$1.25 (INV-NYSE) SHARE DATA:

6798T, Net book d\$ 0.11; Deprec. \$0.15; Loss resv. \$0.62; Taxloss \$8.26. ASSETS \$45.7M: 16% Invstmt prop, 17% Mtgs, 67% Foreclosed; 76% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$42.3M debt over d\$0.7M equity.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'80	d31ca	d26ca	d22ca	d66c	d1.45a
FY'81	d22c	d23c			

a-Incl. 11c sale gains.

Position: Trust engaged in massive asset swaps & sales w/result remaining assets mostly large land tracts; most nonearning. Assets 55% land; 15% apts; 16% jt. vent.; largest asset, Mt. Wash. Hotel, Bretton Woods, NH, sold 5/80. Bank debt \$25M @ 110% prime. Missed \$1M paymt. 7/80; \$6M loan called but paid int. on \$15.2M 8¼% 1st priority sub. notes due '87. Appealing \$2.1M Texas judgment. Equity Finc. & Mgmt. (SZRL interests) to buy 3.7M shs. & \$15.4M discounted debt from banks for \$15.4M & 1M shs. + wts. from IIT for \$1M for total 50% ownership. Banks to keep 424T shs. & \$4.4M debt. Holder meeting expected soon. Buitland Ptnrs. has 5.7% (diluted) & may buy more. Comment: Hold.

1 -IRT PROPRTY CO#: \$14.00 (IRT-ASE) SHARE DATA:

2306T, Net book \$11.79 + Deprec. \$1.80; Loss resv. \$0.27; Taxloss \$0.00. ASSETS \$59.6M: 70% Invstmt prop, 29% Mtgs, 1% Foreclosed; 3% nonearn + 0% lowearn. DIVIDEND: \$1.10.

FINANCE: \$31.2M debt is 1.1X \$27.2M equity.

EPS/CFS	Mar.	June	Sept.	Dec.	Year
1979	19/23	21/28	60/63b	20/31	1.34/1.60
1980	1.16/1.17a	31/33	27/		

a-85c sale gain. b-33c sale gain.

Position: Co. is result of merger of Investors Rlty. & Summit Props. Concentrating on equity invs. w/geographically diversified assets, mainly apts. & shop. ctrs. Debt 90% mtgs. Div. reinvestmt plan. Comment: Interesting long-term holding for yield, benefits of corp. Filed for tax ruling to form sister corporation.

(Ranked No. 1 10/10/80 at \$12.38)

2 -JMB REALTY: \$19.50 (JMBRS-OTC) SHARE DATA:

510T, Net book \$21.73; Deprec. \$1.85; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$31.2M: 27% Invstmt prop, 73% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.25.

FINANCE: \$19.3M debt is 1.7X \$11.1M equity.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'79	48c	51c	54c	59c	2.12
FY'80	52c	2.43a	58c		

a-Incl. \$1.91 sale gain.

Position: JMB stresses subordinated equity type invests. such as wraparound mtgs. w/ equity participations & land purchase leasebacks. About one-third of investments are made in props. owned by ltd. ptnrs. of advisor. Assets are 49% shop. ctrs., 35% apts.; 8% leasebacks, all mtgs. are wraparounds. Debt 98% mtg. Comment: Buy/hold for spec. income.

2 -KENILWORTH RLT#: \$32.00 (KRT-NYSE) SHARE DATA:

2683T, Net book \$20.85 + Deprec. \$4.56; Loss resv. \$0.00; Taxloss \$1.64. ASSETS \$80.1M: 92% Invstmt prop, 8% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$6.00.

FINANCE: \$50.3M debt is .9X \$55.9M equity.

EPS:	May	Aug.	Nov.	Feb.	Year
FY'80	9c	d12c	35c	1.23	\$1.55ac
FY'81	1.38c	1.38c			

a-Sale gain \$1.37 & RE tax refund 6c.

c-Taxloss benefit: 64c '81; 4c '80.

Position: Liquidation plan ratified 8/5/80;

NYC office bldgs. sold for \$65M (close 4/81); 1st distribution of \$6/sh. 12/3/80; "much larger" payment after 4/81 closing. Trust est. final value of not less than \$40/sh. & up to \$45/sh. David J. Greene group controls, Amer. Fincl. owns 16%. Comment: Arbitrage on liquidation.

2N-KENTUCKY PROPTY: \$2.00 (KMTGS-OTC) SHARE DATA:

1100T, Net book \$ 3.06; Deprec. \$0.05; Loss resv. \$1.14; Taxloss \$9.82. ASSETS \$11.8M: 3% Invstmt prop, 12% Mtgs, 85% Foreclosed; 37% nonearn + 48% lowearn. DIVIDEND: \$0.00. FINANCE: \$7.1M debt is 2X \$3.5M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
1979	3cb	20cb	2cb	3cb	29cb
1980	d3c	d5c	d13c		

b-Incl. 11c taxloss & 20c loss res. credit. Position: Trust now engaged in owning props. & developing & managing props. for self & others. Assets are 47% apts., 38% land/devel.; 39% Ky. Defaulted on \$7.1M payment to banks 6/30/80 as sale of Nashville apt. for \$7M or \$1.45/sh. gain fell through. Broker Brent Baird owns 21.3%.

Comment: Spec. on sales to boost book.

3N-LIFETIME COMMUN: \$1.63 (LFTMS-OTC) SHARE DATA:

6765T, Net book \$ 3.41; Deprec. \$0.06; Loss resv. \$1.90; Taxloss \$9.21. ASSETS \$83.6M: 4% Invstmt prop, 55% Mtgs, 41% Foreclosed; 59% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$45.8M debt is 2X \$23.0M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
1979	8ca	8ca	16ca	17ca	49ca
1980	9cb	4cb	4cb		

a-Incl. 24c taxloss benefit & 2c sale gain.
b-Incl. 8c taxloss benefit.

Position: Chap. XI plan approved 1/78; trust became corp., banks got 47% of shs. & must be paid \$41.3M by 1984; interest free but deferred payments accrue at prime + 2%. Substantial portion of improved assets sold to pay \$66M to 7/80.. Remaining assets primarily undevel. or partially dev. land. May have to defer some of Dec. payment. Comment: High risk.

2N-LINCOLN INVSTRS: \$2.63 (LNMGS-OTC) SHARE DATA:

1240T, Net book \$ 2.44; Deprec. \$0.11; Loss resv. \$1.93; Taxloss \$3.32. ASSETS \$15.7M: 34% Invstmt prop, 47% Mtgs, 18% Foreclosed; 0% nonearn + 18% lowearn. DIVIDEND: \$0.00. FINANCE: \$10.1M debt is 3.4X \$3.0M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'80	d19c	d16c	d 5c	1.73	1.34a
FY'81	3ca				

a-Incl. 6c debt repurchase gain & 67c tax-loss '80; 2c & 2c '81.

Position: Trust lost best assets in swaps, now looking to acquisitions & development activities; sold 9 homes FY'80, 4 homes in June qtr. To exch. 1.45M shs. worth \$2.98 ea. for 8 Phoenix apt. complexes owned by ptrn-ship controlled by trust mgmt. Assets 52% apts; owns 9% of Audiotronics & 17.3% of Builders Inv. Debt is \$9.8M converts due '90. Mgmt. owns 40% shs. & Whitaker group owns 7.1%. Privately placed 85T shs. @ \$3.075. Comment: Spec. on new activities.

2 -LOMAS & NET MTG: \$18.50 (LOM-NYSE) SHARE DATA: 3700T, Net book \$28.01; Deprec. \$0.00; Loss resv. \$1.83; Taxloss \$0.00. ASSETS \$308.0M: 1% Invstmt prop, 88% Mtgs, 11% Foreclosed; 10% nonearn + 0% lowearn. DIVIDEND: \$2.42. FINANCE: \$208.2M debt is 2X \$103.6M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'80	65c	65c	55c	56c	\$2.41
FY'81	66c				

Dividend: Pays 100% of earnings per share. Position: Trust has been reducing size of mtg. portfolio in past few months; mtgs. now 67% construction, 19% acq./devel.; 48% Tex. Avg. yield on earning investments was 14.1% @ 6/80. Debt is \$63M commcl. paper, \$28M bank short-term, \$73M other short-term, \$45M long-term, all floating; 1% prime = 6c/sh./qtr. Unfunded commitments \$115M 9/80. FY'80 div. approx. 14% cap. return. Comment: Shares are play on EPS rebound on lower interest.

2 -M&T MORTGAGE: \$12.13 (MTMIS-OTC) SHARE DATA:

1707T, Net book \$10.94; Deprec. \$0.00; Loss resv. \$0.97; Taxloss \$0.00. ASSETS \$64.3M: 0% Invstmt prop, 100% Mtgs, 0% Foreclosed; 1% nonearn + 0% lowearn. DIVIDEND: \$1.83. FINANCE: \$46.1M debt is 2.5X \$18.7M equity.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'79	32c	44c	45c	45c	1.66
FY'80	45c	50c	42c	49c	1.86

Position: Trust specializes in 1-family construction/devel. mtgs. in Tex. w/result that paid divs. thru '70s recession & never had to liquidate. Debt is all bank secured, sponsor provides compensating balances. Comment: Hold for stable yield, good relative value.

1N-MARYLAND REALTY: \$2.38 (MDRTS-OTC) SHARE DATA:

1786T, Net book \$ 4.54; Deprec. \$0.17; Loss resv. \$0.73; Taxloss \$2.27. ASSETS \$12.9M: 23% Invstmt prop, 47% Mtgs, 30% Foreclosed; 41% nonearn + 12% lowearn. DIVIDEND: \$0.00. FINANCE: \$3.4M debt is .4X \$8.1M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'79	d 7ca	d 7ca	d14ca	d16ca	d44ca
FY'80	d17c	d18c	nil		

a-Incl. 4c sale gain.

Position: Trust plans to become equity trust, 5/80 offered holders rights for 1.35 shs.-for-1 @ \$2.25/sh. to retire debt at prime; Federated Devel., now 64% owner, bought 708,190 unsubscribed shs. Added \$2.2M equity. Assets 37% apts., 31% land; 24% Ga., 76% Fla. Debt \$3.4M @ 10½% due over five years. Comment: Recovery spec. on debt retirement. (Ranked No. 1 4/13/79 at \$3.75)

1 -MASSMUTUAL MTG: \$12.38 (MML-NYSE) SHARE DATA:

4670T, Net book \$19.94; Deprec. \$0.10; Loss resv. \$0.27; Taxloss \$0.00. ASSETS \$163.8M: 5% Invstmt prop, 95% Mtgs, 0% Foreclosed; 3% nonearn + 0% lowearn. DIVIDEND: \$1.68. FINANCE: \$74.3M debt is .8X \$93.1M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
1979	36ca	39ca	37ca	43ca	1.53a
1980	39c	40c	40c	42c	1.61a

a-Incl. deben. repurch. gains: 8c'79, 2c '80 & prior interest: 4c '79.

Position: Trust specializes in long-term first mtgs. on income props. (82% of assets),

most w/conting. int. Intends to emphasize equity holdings/participations. Assets are 37% shop. ctrs., debt is \$67M converts, low rate exposure. Comment: Hold for income, equity kickers w/discount from book. (Ranked No. 1 9/8/78 at \$14.88)

2N-MIDLAND MTG: \$2.50 (HMT-ASE) SHARE DATA:
6193T, Net book \$ 1.39; Deprec. \$0.06; Loss resv. \$0.27; Taxloss \$3.63. ASSETS \$18.7M: 49% Invstmt prop, 37% Mtgs, 14% Foreclosed; 20% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.9M debt is .6X \$8.6M equity.
EPS: Sept. Dec. Mar. June Year
FY'80 1.48a 9ca 5ca 26ca 1.88a
FY'81 d2c

a-Incl. 86c taxloss, 4c debt repurch. & \$1.55 pretax litigation gains.

Position: Trust completed swap program & repaid senior debt FY'79, retired \$7M sub. debts. 3/1/80; most remaining debt \$4.3M convts. Recapitalized w/issue of 1 new conv. pfd. sh. (0.2 votes) & 1 common (4 votes) for each 2 common out. Lost NYSE listing because of multiple votes. Pfd. pays 30c/sh. annual div., convts. into 1.5 common sh. Issued 5M new common f/acq. of land & devel. rights at Snowmass, Colo. ski resort. Assets 45% hotel, 25% land. Comment: Spec. on Snowmass acq.

2 -MILLER(HS) TRST: \$26.25 (HSMTS-OTC) SHARE DATA:
560T, Net book \$18.86; Deprec. \$3.32; Loss resv. \$1.16; Taxloss \$0.00. ASSETS \$20.1M: 73% Invstmt prop, 20% Mtgs, 7% Foreclosed; 7% nonearn + 0% lowearn. DIVIDEND: \$1.80. FINANCE: \$9.3M debt is .9X \$10.6M equity.
EPS: May Aug. Nov. Feb. Year
FY'80 43cb 40c 49cb 27c 1.59b
FY'81 46ca 33c

a-Incl. 6c sale gain. b-Incl. 6c insur., 7c settlement & 2c sale gains.

Position: Trust is moving to become all equity as mtg. loans paid off; Assets are 60% shop. ctrs. w/1M sf, 18% land; most Texas. Percentage rents boost EPS. Debt 95% mtgs. 8/80 trust rejected unsolicited bid for all rental props. due to inadequate amount. Proxy fight cost 15c/sh. Aug. qtr. HSM Inc. owns 22.9%, has option (& voting rights) to 3/81 on 5% more at \$26.50/sh. Pilot Inds. 6.5%. Comment: Buy for income, long-term gains.

1N-MISSION INV TR: \$5.13 (MIT-ASE) SHARE DATA:
1812T, Net book \$ 7.76; Deprec. \$0.30; Loss resv. \$0.42; Taxloss \$5.42. ASSETS \$19.9M: 0% Invstmt prop, 35% Mtgs, 65% Foreclosed; 16% nonearn + 54% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.8M debt is .3X \$14.1M equity.
EPS: Feb. May Aug. Nov. Year
FY'79 5cb 4cb 99cb 16cb 1.41b
FY'80 10ca 68ca 67ca

a-Incl. 58c taxloss benefit & \$1.60 pretax sales. b-Incl. \$1.21 loss res. recovery & 12c taxloss benefit.

Position: Trust planning equity investments, RE mktg & mgmt. EPS to be boosted from condo sales on hotel taken over 8/79; selling 48 condos to Sweetwater Condoshares for \$8.7M, to be paid as each unit mkt'd on time share basis. Assets 55% resid., 32% land & development; pledged; debt is bank @ 2½% over prime.

Intermark Inc. has 22% & board seat.

Comment: Buy for sale gains, discount from book.

(Ranked No. 1 12/7/79 @ \$6.50)

2 -MONEY MTG INV: \$7.50 (MYM-NYSE) SHARE DATA:
8956T, Net book \$ 9.79; Deprec. \$0.15; Loss resv. \$0.18; Taxloss \$0.00. ASSETS \$203.1M: 11% Invstmt prop, 87% Mtgs, 2% Foreclosed; 6% nonearn + 0% lowearn. DIVIDEND: \$0.92. FINANCE: \$118.6M debt is 1.4X \$87.7M equity.
EPS: Aug. Nov. Feb. May Year
FY'80 23ca 41ca 20c 19c \$1.03a
FY'81 22c

a-Incl. sale gains: 34c FY'80.

Position: Major life insurance company sponsored MYM aims to balance short-term construction & development loans (42% of assets) & LT fixed-rate income property mtgs. (45%); generated unbroken divs. in '70s but low fixed rates now well below today's rate. Equities 11% & falling. Has \$108M ST mtg. funding commitments w/sponsor providing 85% of takeouts. ST loans yld. 15.2% during FY '80 & 89% (\$58M) float w/prime. Debt is \$63M interest-sensitive comc'l. paper & master notes; \$45M interm.-term @ 8¼%-10.88%; plus mtgs. & convts. 1% prime = 2c/sh. qtr. Dividend reinvestment plan available. Comment: Hold for income & strong management in problem loan control.

2N-MORAGA CORP: \$10.00 (MORA-OTC) SHARE DATA:
1355T, Net book \$12.50; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$19.9M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: NO debt over \$16.9M equity.
EPS: Oct. Jan. Apr. July Year
FY'80 2c 2c d17c d40c d52c
FY'81 4.79a

a-Includes \$4.60/sh. gain on sale of real estate assets.

Position: This former mtg. lender sold all Alamand realty sub. stock and assets to Apex Oil Co., St. Louis, for \$19.9M cash 8/19/80. Purchased 10/80 1032T shs., 21.4%, of CI Mtg. from City Investing for \$10M cash or \$9.69 sh. Alamand to pay \$1,000 to Moraga for each debenture (total \$9M) on conversion into Moraga common. Comment: Hold/sell on price rise as CI Mtg. investment cuts appeal. Peter Cundill & Assoc. (Can.) own 12%; Apex Oil 12%; Starlaw Investments Ltd. (Can.) 10%; Warren Prop. 6.1%.

1 -MORTGAGE GROWTH: \$11.75 (MTG-ASE) SHARE DATA:
2648T, Net book \$10.38 + Deprec. \$1.54; Loss resv. \$0.27; Taxloss \$0.00. ASSETS \$42.7M: 65% Invstmt prop, 30% Mtgs, 5% Foreclosed; 5% nonearn + 0% lowearn. DIVIDEND: \$1.12. FINANCE: \$18.8M debt is .7X \$28.8M equity.
EPS/CFS: Feb. May Aug. Nov. Year
FY'79 16/20c 24/28a 22/26a 19/23 81/97a
FY'80 62/67b 25/30 23/29

a-Incl. 8c sale gain '79. b-42c sale gain FY'80. Position: Once interim mtg. lender MTG emerges as developer of some key foreclosures, mainly apt. in Mich. & resid. in D.C. suburbs. Assets 77% apts., 14% office; 35% Calif. Sold LA office 2/80 for \$1.12M gain; proceeds used to repay all bank debt &

add \$4M liquidity. Only debt is \$13M mtgs. & \$6M convts. held by institutions. Comment: Buy/hold for LT div. & capital gains as sale proceeds reinvested; might consider attractive merger.

(Ranked No. 1 on 9/8/78 at \$7.63)

4N-MTG INV WASH: \$3.25 (MINVS-OTC) SHARE DATA:
3396T, Net book \$ 4.20; Deprec. \$0.12; Loss resv. \$0.69; Taxloss \$2.65. ASSETS \$24.9M: 0% Invstmt prop, 24% Mtgs, 76% Foreclosed; 39% nonearn + 22% lowearn. DIVIDEND: \$0.00. FINANCE: \$9.0M debt is .6X \$14.3M equity.
EPS: June Sept. Dec. Mar. Year
FY'80 2c 78c 15c d20c 75c
FY'81 d10c

a-Incl. sale gains: \$1.69 '80; 1c '81. Position: Sold 1.25M shs. @ \$4 each & \$6.6M of 10.5% conv. debts. due 1986 to European investors (General Investment Mgmt.). Proceeds enabled payment of \$14.6M floating rate notes due 11/1/80. GIM also bought shs. from Deltec Panamerica for total 51% interest, & will arrange sale of add'l shs. & debentures to Europeans. GIM takes control. Assets located southeast, 35% land, 34% shopping center. Comment: Speculation on new money.

4N-NATIONAL MTG: \$1.13 (NMF-OTC) SHARE DATA:
3707T, Net book \$ 2.23; Deprec. \$0.00; Loss resv. \$0.72; Taxloss \$3.91. ASSETS \$15.0M: 0% Invstmt prop, 28% Mtgs, 72% Foreclosed; 73% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.8M debt is .6X \$8.3M equity.
EPS: May Aug. Nov. Feb. Year
FY'80 16c 1c nil 5c 22c
FY'81 d1c nil

b-Incl. 22c swap gains. Position: Debt is \$1.5M secured bank loans & \$3.3M subor. notes, both w/no interest, from Ch. XI settlement. Assets 79% land, some being marketed and/or developed. First 3 phases of Gwinnett County, Ga. completed; all operating props. gone. Owns 10% Commonwealth Corp. Comment: Very long recovery seen as hi interest slows sales; Broker Brent Baird owns 8.4% of sh.

3 -NATIONWIDE RE: \$15.25 (NRELS-OTC) SHARE DATA:
1047T, Net book \$24.58; Deprec. \$0.41; Loss resv. \$1.22; Taxloss \$0.00. ASSETS \$27.4M: 8% Invstmt prop, 51% Mtgs, 41% Foreclosed; 32% nonearn + 17% lowearn. DIVIDEND: \$0.88. FINANCE: \$6.5M debt is .3X \$25.7M equity.
EPS: June Sept. Dec. Mar. Year
FY'80 7c 14c 22c 24c 67c
FY'81 19c 21c

Position: Assets 25% medical, 14% condo, 11% land; 30% Ohio, 17% Indiana. Moderate sized trust advised by Nationwide Corp., Ohio insurance holding co., has repaid banks & sought merger partner last two yrs. Deal w/Buckeye Fed. S&L ended 4/80 & holders to vote 12/31 on Old Stone Corp., Providence holding co., offer to exchange f/ea. NRELS sh. one new Old Stone 12% pfd. w/\$20 par & conv. to 1/2 Old Stone sh. Trust owns 400 ac. mineral rts. in Pa.; but local ordinance prohibits mining. Exploring possibilities, benefits to flow to trust holders. Comment:

Hold. If OK by 4/30/81, \$2.40 div. would yield 12.2% on stock price.

2 -NEW PLAN RL TR#: \$12.00 (NPR-ASE) SHARE DATA:
3304T, Net book \$ 4.21 + Deprec. \$2.34; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$18.2M: 100% Invstmt prop, 6% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.02. FINANCE: \$14.1M debt is 1X \$13.9M equity.
EPS/CFS: Oct. Jan. Apr. July Year
FY'79 23/22c 19/18 19/18 26/25 87/83c
FY'80 23/22c 21/20 26/25 24/24 94/91c
Div: Paid monthly. Position: Specializes in upgrading older properties, mainly shopping centers. Assets 71% shop. ctrs., 14% residential. Debt is 92% mtgs., 7% subor. deb. Beginning div. reinvestment plan at 2 1/2% discount from average mkt. price. Trust est. mkt. value at \$12/sh. at 10/29/80. Comment: Buy/hold for longer-term yield growth; management owns 40% of shares.

3N-NORTH AMER MTG: \$3.88 (NAM-NYSE) SHARE DATA:
6901T, Net book \$ 5.45; Deprec. \$0.51; Loss resv. \$0.79; Taxloss \$N/A. ASSETS \$124.2M: 0% Invstmt prop, 20% Mtgs, 80% Foreclosed; 37% nonearn + 46% lowearn. DIVIDEND: \$0.00. FINANCE: \$80.3M debt is 2.1X \$37.4M equity.
EPS: Mar. June Sept. Dec. Year
1979 d40c d20c d16c d27c d96c
1980 d 6c 18c 2c

a-Incl. 19c prop. sales gains & 15c litigation loss. b-Incl. 14c loss resv. reversal & 44c sale gain.

Position: Once a large mtg. lender, NAMI has ended REIT status & seeks 1980 profitability as condominium converter, land developer & seller of surplus foreclosed props. Assets are 43 1/2% apts., 27 1/2% condos, 13% land, 7% hotel/motel; 21% Fla., 19% Ill. Sold 419 condo units '79, 59 '80 1st half w/115 under contract; building Niles, Ill. apt. Asset sale contract f/28c/sh. gain. Debt incl. \$32M bank term at mx. 12% to 10/83; \$32M mtgs.; \$12M face 8 1/2% subor. debts. due '87; & \$8.15M 10 1/2% subor. note to Amer. Financial given in 1979 restructure. Amer. Finc'l. also got 36% of sh. Comment: Hold; high interest slows realty sales; Book value does not reflect \$1.61/sh. liability in adverse court decision, being appealed.

5N-NOVA REIT: \$2.63 (FVM-OTC) SHARE DATA:
1208T, Net book \$ 8.98; Deprec. \$0.00; Loss resv. \$2.68; Taxloss \$6.95. ASSETS \$28.5M: 0% Invstmt prop, 61% Mtgs, 39% Foreclosed; 39% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$17.3M debt is 1.6X \$10.8M equity.
EPS: Sept. Dec. Mar. June Year
FY'80 51c 14c 7c d75c d3c
FY'81 1.05b

a-Incl. 38c taxloss reversed 4th qtr. & 2c swap gain. b-Incl. 97c debt ret. & taxloss. Position: This mortgage trust, formerly bank sponsored First Vir. Mtg., liquidated best assets to repay \$20M bank debt FY'80 but filed for Chap. XI 10/30/80 when \$17M subor. debts. due. Remaining assets: 41% land; 52% Fla., 21% VA, 17% KY. Prop. sales slow & loans illiquid. \$3.15M 4% sr. notes tendered under \$600 offer per \$1000 face for \$1.03/sh. gain.

Comment: Avoid; high risk spec. on reorganization. Allen & Co. own 10.4%; Herbert C. Lust group 6.3%.

3 -NW MUT LIFE MTG: \$9.25 (NML-NYSE) SHARE DATA:

4758T, Net book \$18.84; Deprec. \$0.76; Loss resv. \$0.74; Taxloss \$0.00. ASSETS \$219.2M: 10% Invstmt prop, 82% Mtgs, 8% Foreclosed; 9% nonearn + 0% lowearn. DIVIDEND: \$1.12.

FINANCE: \$125.1M debt is 1.4X \$89.6M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'80	27c	30c	22c	24c	\$1.03
FY'81	30c	1c			

a-Incl. sale loss: 23c '81.

Position: Major life insur. co. sponsorship. Large (\$127M or 58% of assets) holding of low-rate (8.9%) mtgs. limits flexibility. ST mtgs. down to \$53M (\$14M float w/prime); Portfolio: 34% office, 27% retail; 10% industrial. Sale loss Sept. qtr. cuts NE & forecl. assets to 5.4% of portfolio. Sale proceeds used to cut debt. Nego. sale of prop. which would offset most of Sept. loss. Debt: \$31M demand & bank debt; \$15M variable rate notes due '88; \$75M at 8 $\frac{1}{2}$ % & 8.75% due 12/82. 1% prime=2c sh./qtr. Comment: Hold for stable income; gains potential when interest rates fall.

2 -PACIFIC RLT TR#: \$25.13 (PTR-ASE) SHARE DATA:

845T, Net book \$19.09 + Deprec. \$5.21; Loss resv. \$0.25; Taxloss \$4.98. ASSETS \$47.4M: 77% Invstmt prop, 21% Mtgs, 2% Foreclosed; 3% nonearn + 0% lowearn. DIVIDEND: \$1.40. FINANCE: \$30.5M debt is 1.9X \$16.2M equity.

EPS/CFS:	Aug.	Nov.	Feb.	May	Year
FY'80	48/63a	43/58a	33/49	46/63a	1.70/2.33a
FY'81	1.08/1.24a				

a-22c loss resv. credit & 12c sale gain '80; 4c loss resv. credit & 65c sale gain '81.

Div: Can pay 100% cash flow & '79 47% cap. ret.

Position: Once bank-sponsored, PTR now independent specialist in bldg. & mang. industrial props. Pacific NW. Assets: 77% prop. owned or in constr.; 72% indust., 28% office. Debt: \$7.9M comcl. paper backed by \$12 $\frac{1}{2}$ M term loan from former sponsor; \$18M mtgs. on props. Comment: Hold for improving results & new developments, but long-term uncertainties posed by Mt. St. Helens. Mgmt. est. prop. value \$16.85/sh. over net book at 5/80.

1 -PACIF SOTHRN MT: \$7.50 (PSMTS-OTC) SHARE DATA:

800T, Net book \$11.97; Deprec. \$0.00; Loss resv. \$0.01; Taxloss \$0.00. ASSETS \$8.2M: 19% Invstmt prop, 81% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.10. FINANCE: NO debt over \$9.6M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'80	31c	61c	24c	22c	\$1.38a
FY'81	25c	19c			

a-Loss resv. credit: 50c '80; 6c '81.

Position: Smaller unleveraged trust independently managed. Expects no further credits to loss reserve from Ga. condo. Mtgs. are comcl. LT; props are land, leases & ptrnship. Comment: Long-term hold; Trust chairman owns 5 $\frac{1}{2}$ %; Investor Byron Webb Jr. has 7.4% & elected trustee 7/29/80. (Ranked No. 1 on 9/8/78 at \$8.38)

1N-PARKWAY COMPANY: \$8.13 (PKWYS-OTC) SHARE DATA:

1055T, Net book \$ 8.30; Deprec. \$0.00; Loss resv. \$1.66; Taxloss \$7.78. ASSETS \$28.9M: 50% Invstmt prop, 25% Mtgs, 24% Foreclosed; 26% nonearn + 0% lowearn. DIVIDEND: \$0.00.

FINANCE: \$17.4M debt is 2X \$8.7M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'80	d21c	24cb	13cb	11cb	28cb
FY'81	2c				

b-Incl. 13c taxloss benefits '80.

Position: This former regional mtg. lender has repaid all bank debt and mgmt. has been taken over by Eastover Corp., now owner of 29% shs. Parkway becoming Houston land developer, bought North Belt Greenbriar undevel. land near airport, & Sugar Creek, 1,100-ac. SW of Houston. Comment: Buy for development potential. To reorganize & become Tex. corp. after shhldr. approval in 12/80. (Ranked No. 1 on 10/12/79 at \$5.75)

3N-PUMG: \$6.25 (PUM-ASE) SHARE DATA:

946T, Net book \$11.38; Deprec. \$0.11; Loss resv. \$1.30; Taxloss \$5.71. ASSETS \$23.9M: 2% Invstmt prop, 84% Mtgs, 14% Foreclosed; 9% nonearn + 14% lowearn. DIVIDEND: \$0.00.

FINANCE: \$12.2M debt is 1.1X \$10.8M equity.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'79	d 3c	d 7c	d 3c	6c	d 7c
FY'80	13ca	5ca	d 5c		

a-Incl. 24c sale gain.

Position: This smaller mtg. trust was successful in divesting most of its foreclosed props., but high int. rates eroding earnings. Debt is \$8.9M bank credit @ 124% of prime; to sell mtgs. to repay banks. Assets 64% resid., 16% shop. ctr. Ending REIT status, adviser acq'd for 80T shs. Name chg'd to Pearce Urstadt Mayer & Greer, Inc. 11/24/80. PM&G Holding Co. owns 20.2%, Madison Fund 10%. Was Hanover Square Realty. Comment: Spec. on debt payment, deREITing.

1 -PENN REIT #: \$25.00 (PEI-ASE) SHARE DATA:

1561T, Net book \$14.34 + Deprec. \$10.21; Loss resv. \$0.10; Taxloss \$0.00. ASSETS \$37.9M: 91% Invstmt prop, 9% Mtgs, 0% Foreclosed; 8% nonearn + 0% lowearn. DIVIDEND: \$1.90.

FINANCE: \$22.1M debt is 1X \$22.4M equity.

EPS/CFS:	Nov.	Feb.	May	Aug.	Year
FY'79	50/63c	46/57c	54/66c	68/81c	\$2.18/2.67
FY'80	59/73	51/64	58/73	65/77c	2.33/2.87

Div.: Paid semi-annually. Position: Organized 1960, PEI is property trust independently managed by Philadelphia area realty operators. Equity investments (38 props. in 13 states) generally incl. preferred 50% interests: 60% shop. ctrs. & constr. w/2.4M net sf; 28% apts. w/2,097 net DU; & 12% office/indust. Change to equity acctg. cut port. 57% & liab. 63%. Debt: 80% mtgs., 16% constr. loans. \$3M land loan non-accrual at 11/8/80. 14.9% held by Sylvan Cohen, Marvin Orleans & co-trustees. Comment: Hold/buy for LT gains and income growth. (Ranked No. 1 on 12/8/78 at \$15.00)

4N-PLAZA REALTY: \$1.00 (PRISS-OTC) SHARE DATA:

1114T, Net book \$ 0.09; Deprec. \$0.00; Loss resv. \$1.41; Taxloss \$12.93. ASSETS \$15.0M: 29% Invstmt prop, 25% Mtgs, 46% Foreclosed; 69% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$11.4M debt is 109.4X \$0.1M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	nil	d14c	d5c	d19c	d38ca
1980	5c	d40cb			

a-Incl. 14c loss provision. b-45c litigation charge. Position: Trust to get 6 NYC apt. bldgs. from Albert Ginsburg, RE investor, for shs. (80.1% of new) w/guarantee of debt repayment. Proxy expected soon. \$5M bank debt at 1% cash or earns. to '83 up to prime. Assets incl. \$5.3M prop. under sale agreement; port.: 55% apts., 35% raw land; 45% Mass., 26% Fla., 16% NY. Gould Inv. Trust owns 11.2% of shs.
Comment: Hold on Ginsburg play.

- 3 -PNB MTG & RLTY: \$11.13 (PNI-NYSE) SHARE DATA: 4771T, Net book \$16.73; Deprec. \$0.05; Loss resv. \$0.22; Taxloss \$0.00. ASSETS \$159.6M: 1% Invstmt prop, 94% Mtgs, 5% Foreclosed; 2% nonearn + 4% lowearn. DIVIDEND: \$1.28. FINANCE: \$87.8M debt is 1.1X \$79.8M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79r	42ca	28c	25c	d67ca	28ca
FY'80r	28cb	36cb	37cb	38c	1.39

r-FY'79 restated to combine last FYs of PNB & Sutro Mtg. on pooling basis. a-Incl. 34c prop. sales gains & d96c litigation loss '79. b-9c prop. sale gains & 28c reversal of litigation loss in 9 mo.'80. Position: Merged w/Sutro Mtg. eff. 10/79, combining Phil. & Los Angeles mtg. trusts. Mtg. assets: \$61M LT fixed-rate mtgs.; \$88M ST constr., devel., standing & jr. loans. Larger merged capital base lets PNB cut money costs via comc'l. paper, now w/\$61M out; Other debt \$20M convts; bank term paid off during June quarter.
Comment: Hold for long-term recovery.

- 1 -PROPERTY CAPITL: \$25.75 (PCL-ASE) SHARE DATA: 2065T, Net book \$17.34; Deprec. \$0.00; Loss resv. \$0.31; Taxloss \$0.00. ASSETS \$51.6M: 71% Invstmt prop, 29% Mtgs, 0% Foreclosed; 5% nonearn + 0% lowearn. DIVIDEND: \$1.88. FINANCE: \$16.8M debt is .5X \$35.8M equity.
- | EPS: | Oct. | Jan. | Apr. | July | Year |
|-------|------|------|------|-------|---------|
| FY'80 | 38c | 39ca | 40c | 3.96a | \$5.13a |
| FY'81 | 47c | | | | |

a-Asset sale gains: \$3.67 '80.

Div.: Pays 100% of EPS after preferred div. Position: Independent PCL specializes in subordinated investments, both land/leasebacks & LT jr. mtgs., w/income participations. Careful monitoring let PCL maintain divs. thru 1970s; overage income boosted EPS 57c FY'80. Assets: 20% apts., 22% shop. ctr., 21% industrial; 28% Cal., 21% Ill. Debt is \$5M under \$10M bank lines @ prime, rest 6½% sr. subor. debt held by institutions. Comment: Buy/hold for gradual LT div. & capital gains; Props. appraised at \$9.89/sh. over 7/79 book, no new appraisal for '80. Sold apt. 7/80 for \$9M or \$3.53/sh. gain, reinvested proceeds in land under Chicago hotel & Fla. shop. ctr. w/total rents of \$990T first year. Sold 1.1M \$1.98 convt. pfd. 9/80 to institutions for \$12M now, \$12M 3/81 & repaid banks; balance will fund new investments. (Ranked No. 1 on 12/21/79 at \$14.88)

- 2 -PROPTY TR AMER#: \$9.25 (PTRAS-OTC) SHARE DATA: 2390T, Net book \$ 7.90 + Deprec. \$1.71; Loss resv. \$0.21; Taxloss \$0.00. ASSETS \$32.3M: 69% Invstmt prop, 29% Mtgs, 2% Foreclosed; 2% nonearn + 0% lowearn. DIVIDEND: \$1.57. FINANCE: \$14.6M debt is .8X \$18.9M equity.
- | EPS/CFS: | Mar. | June | Sept. | Dec. | Year |
|----------|------------|--------|-------|-------|---------|
| 1979 | 7/13ca | 7/11c | 6/12c | 7/12c | 27/48ca |
| 1980 | 1.05/1.10b | 27/33b | 18/ | | |

a-Incl. 3c prop. sale gain '79. b-Incl. \$1.00 sale gain '80. Div.: Paid \$1.57 in '80, incl. \$1.00 extras on land sale. Position: This independent El Paso property & mtg. trust has worked out of most foreclosures; Sale of Houston tract 1/80 for \$10.4M removed last major problem & gives PTA \$3.15/sh. gain over 7 years. Trustees own 21%. Comment: Buy/hold for improvement in other props. & boost to dividend from sale gains.

- 3 -REALTY INCOME: \$5.88 (RIT-ASE) SHARE DATA: 1591T, Net book \$ 9.42; Deprec. \$0.49; Loss resv. \$0.63; Taxloss \$0.00. ASSETS \$51.3M: 23% Invstmt prop, 74% Mtgs, 4% Foreclosed; 14% nonearn + 0% lowearn. DIVIDEND: \$0.80. FINANCE: \$38.3M debt is 2.6X \$15.0M equity.
- | EPS: | July | Oct. | Jan. | Apr. | Year |
|-------|------|------|-------|------|------|
| FY'80 | d30c | 35cb | d31cb | d22c | d48c |
| FY'81 | 10cb | | | | |

b-Incl. sale gain: 61c '80; 4c '81. Div.: FY'80 95% ret. of cap.; 5% cap. gain. Position: Originally sponsored by Textron Cos. pension funds, this older mortgage & property trust sought to balance conservative mtg. investments w/aggressive prop. holdings. Capital gains let dividends continue in recent yrs.

Assets 54% LT mtgs., 23% investment props. But ST debt relatively high: \$14.6M under \$15M bank lines @ prime & \$7½M at 1½% over prime to 10/30/81. Comment: Hold for moderate recovery when rates fall. European group owns 20% of shares.

- 2 -RLTY & MTG PAC: \$20.25 (RPC-NYSE) SHARE DATA: 2789T, Net book \$17.96; Deprec. \$0.68; Loss resv. \$0.13; Taxloss \$0.00. ASSETS \$110.9M: 43% Invstmt prop, 57% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.80. FINANCE: \$62.1M debt is 1.2X \$50.1M equity.
- | EPS: | Feb. | May | Aug. | Nov. | Year |
|-------|------|------|------|------|-----------|
| FY'79 | 53ca | 34cb | 45cc | 43c | \$1.75bac |
| FY'80 | 36c | 59cc | 43c | | |

a-Incl. 20c cap. gain, pd. as div. 10/15/79. b-3c litig. gain. c-Prior int: 24c '80, 12c '79 Position: This LT oriented property & mortgage balanced trust, advised by Bank of Hawaii unit, specializes in Western U.S. & Pacific. Now reaping some large capital gains & concentrating on equities. Assets 24% hotel/motel, 23% office; 50% Calif., 15% Hawaii. Debt is \$18M comc'l. paper, \$29½M bank loan @ 9½% max., \$16M mtgs. Div. reinvestment plan at 5% discount. Comment: Strong LT hold/buy for expansion.

2 -REALTY REFUND: \$8.13 (RRF-NYSE) SHARE DATA: 1377T, Net book \$17.27; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$70.1M: 0% Invstmt prop, 100% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.19. FINANCE: \$45.2M debt is 1.9X \$23.8M equity. EPS: Apr. July Oct. Jan. Year
FY'80 40¢ 40¢ 36¢ 33¢ \$1.49
FY'81 24¢ 30¢ 32¢
Div: Pays 100% of EPS as shown above. Position: RRF specializes in longer-term refinancings of completed income properties, mainly w/wrap-around mtgs. (i.e., second mtgs. equaling existing (or underlying) first mtg. plus addtl. new financing). RRF profits by interest spread on two mtgs., but may have to fund difference in amortization payments. Assets 80% wraps, 20% LT mtgs.; 43% apts., 40% office/indust. Debt is \$10.2M bank loans @ prime to 10/81 & \$35M debentures @ 11.75-12%. Comment: Hold through rate rise for eventual recovery once prime drops; near-term earnings will fall back to Apr. qtr. level, but return to peak 60¢/sh./qtr. possible longer-term.

2 -REIT OF AMERICA: \$29.50 (REI-ASE) SHARE DATA: 1633T, Net book \$22.59; Deprec. \$8.45; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$41.1M: 98% Invstmt prop, 2% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.20. FINANCE: \$8.3M debt is .2X \$36.9M equity. EPS: Feb. May Aug. Nov. Year
FY'79 63¢ 1.13a 43¢ 53¢ \$2.72a
FY'80 60¢ 65¢ 49¢
a-Incl. prop. sale gains 89¢ '79. b-Prop. sale gains 3¢ '80. Div: Paid since 1887. Position: Conservative independent Boston mgmt. gives REI one of longest U.S. div. records. Specializes in owning urban shop. ctrs. (46% of assets), offices (25%), & industrial (20%). Assets 46% Cal., 16% Mass. Overall vacancy 2.7% at 11/79. Debt all mtgs. Comment: Hold for LT improvement of prop. yield. Unicorp Fincl.(Can.) owns 9.8%.

3N-REPUBLIC MTG: \$3.00 (RMI-NYSE) SHARE DATA: 2107T, Net book \$ 4.29; Deprec. \$0.46; Loss resv. \$2.72; Taxloss \$11.30. ASSETS \$28.9M: 4% Invstmt prop, 10% Mtgs, 86% Foreclosed; 55% nonearn + 37% lowearn. DIVIDEND: \$0.00. FINANCE: \$13.1M debt is 1.4X \$9.3M equity. EPS: Mar. June Sept. Dec. Year
1979 d50¢ d17¢ 0¢ \$1.37a 70¢a
1980 6¢b 10¢b 2¢
a-Asset swaps, debt prepayment & taxloss benefits \$1.30 '79. b-31¢ taxloss & swap & 34¢ loss resv. credit '80. Position: To exch. 1.5M (42% int.) new shs. for \$7.5M NYC apt. (Oppenheimer & Co., Peter Sharp & Co., & Lee Nat'l) with 1.5M shs. (59% int.) in escrow, to be issued over 5 yrs. depending on earnings. Defaulted on \$8.8M owned to banks; can get new \$7.8M financing if deal goes thru. Four Roland International Corp. (6.3% owner) bids rejected. Assets 37% land & devel., 33% shop ctrs.; 68% Fla. \$1.3M convts. submitted for early maturity. Comment: Hold/buy as trading spec. on new interests.

2N-RIVIERE REALTY#: \$6.25 (RRT-PHSE) SHARE DATA: 783T, Net book \$ 5.98 + Deprec. \$5.62; Loss resv. \$0.00; Taxloss \$2.53. ASSETS \$20.3M: 90% Invstmt prop, 9% Mtgs, 1% Foreclosed; 30% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$15.7M debt is 3.4X \$4.7M equity. EPS/CFS: Mar. June Sept. Dec. Year
'79 12/17¢ d17/d10¢ d2.08/d1.98 d66/d49
'80 76/98b d32/d12 1¢
a-Incl. \$2.25 loss on borrower/lessee settlement '79. b-Incl. 81¢ sale gain & 43¢ taxloss benefits 3/80. Position: Listed Phila. SE Oct. This Washington property/mtg. trust hurt by 9/79 takeover of \$7.3M Indianapolis props. as major borrower defaulted. Wash. off. bldg. sold 3/80 for 81¢ gain. Comment: Hold for recovery. Loyal Amer. Insur. (owned by Imperial Life Assur. Can.) owns 18% & holds 2 bd. seats.

2 -SAN FRAN RE IN#: \$29.00 (SFI-ASE) SHARE DATA: 1518T, Net book \$19.65 + Deprec. \$3.43; Loss resv. \$0.88; Taxloss \$0.00. ASSETS \$47.9M: 86% Invstmt prop, 12% Mtgs, 2% Foreclosed; 2% nonearn + 0% lowearn. DIVIDEND: \$1.76. FINANCE: \$19.4M debt is .7X \$27.3M equity. EPS/CFS: Mar. June Sept. Dec. Year
'79 32/40¢ 40/43¢ 41/46¢ 45/49¢ 1.58/1.78
'80 39/45¢ 40/45¢ 38/
Position: Independent SFI has liquidated most mortgages to stress properties owned directly & in joint ventures, which add \$14M to assets. New investments are sought and 50% partnership is building Glendale (Cal.) Fincl. Square offices. Assets 70% offices w/1.1M sq.ft., most bank occupied. Debt is all mtgs. Comment: Buy/hold for LT gains & yield. Unicorp Fincl., Can., with GREIT Realty, 44% owned by Unicorp, have shs. & wts. for 30% fully diluted interest. Wts. expiring 12/31/80 @ \$25 will add over \$30M capital when exercised.

2 -SANTA ANITA: \$35.50 (SAC0Z-OTC) SHARE DATA: 2791T, Net book \$ 5.25; Deprec. \$4.00; Loss resv. \$0.27; Taxloss \$0.00. ASSETS \$53.4M: 82% Invstmt prop, 18% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.80. FINANCE: \$42.4M debt is 2.9X \$14.7M equity. EPS: Mar. June Sept. Dec. Year
1980 2.16 0.15 9¢
Position: This former racetrack operator and realty developer split 1/1/80 into two paired companies: a qualified REIT owning the Calif. racetrack, 50% of major mall Santa Anita Fashion Park & other props.; and a racetrack operator & developer of props., mainly shop ctrs., for the REIT. Stock of both companies can only be traded as a "pair," with the REIT passing thru prop. income to shareholders. Comment: Hold for LT income growth; Calif. extends trust winter racing season 10 days, fall season 5 days.

2 -SAUL (BF) REIT: \$9.25 (BFS-NYSE) SHARE DATA: 5893T, Net book \$ 4.78; Deprec. \$3.88; Loss resv. \$0.03; Taxloss \$7.96. ASSETS \$223.5M: 99% Invstmt prop, 1% Mtgs, 0% Foreclosed; 19% nonearn + 0% lowearn. DIVIDEND: \$0.05. FINANCE: \$194.2M debt is 6.9X \$28.2M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	d13cb	d20cb	22cb	d36cb	d47cb
FY'80	d 8c	17ca	78ca	55ca	1.42a

a-Sale & taxloss gains: 15c & 63c.

b-Prop. sale gains: 40c '79; 8c '80.

Position: National mtg. lending, begun in 1969, led to foreclosures of major income props. at gross cost: 26 shop. ctrs., 44% of assets w/3.9M sq.ft.; 14 apts., 17% of assets w/3,982 DU; 6 motels, 15% of assets w/1,432 rms.; land parcels, 7% of assets w/858 acres; 6 condo conversions, 7% of assets w/1133 DU. BFS strategy: Sell apts. as condos to repay bank debt, develop land to improve income & cash flow. FY'80, \$1.6M condo conversion profits v. \$2M FY'79. Buildg. Atlanta off. bldg. Debt \$39M bank, \$113M mtgs., rest subor. Registered \$21M sr. notes 7/80. **Comment:** Hold/buy for long-term recovery; Book estimated at \$13/sh. at 9/79; resumed div. w/ 10/80 payment; B. F. Saul Co. owns 23%

1N-SECURITY CAPITL: \$3.75 (SCC-ASE) SHARE DATA:

7417T, Net book \$ 6.53; Deprec. \$0.11; Loss resv. \$1.01; Taxloss \$2.04. ASSETS \$97.5M: 0% Invstmt prop, 75% Mtgs, 25% Foreclosed; 22% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$44.4M debt is .9X \$47.0M equity.

EPS	Dec.	Mar.	June	Sept.	Year
FY'79	d1c	6cb	14cb	12cb	31cb
FY'80	7ca	11ca	9ca	19c	46ca

a- 12c taxloss & 12c pretax deben. retire gain.

b-Incl. 11c taxloss & 28c pretax sale gain.

Position: This holding company is seeking non-REIT acquisitions & has agreed to buy Houston S&L for \$13.25M cash + \$2M 14% debts. due '87 by early 1981. Assets 28% home mtgs., 29% comcl. mtgs., 19% medical. Paid bank debt w/proceeds of sale of mtg. participations; Debt now: \$5M mtgs., E\$28M sub. deb. \$6M of 7% debts. & \$3.9M of 6% debts. both '82, exchanged for new 14% debts. in 9/80 offer.

Comment: Buy for further prop. improvements & acquisition potential. Smith Barney RE owns 12.4%.

2N-SO ATLANTIC FIN: \$4.13 (SAT-NYSE) SHARE DATA:

2706T, Net book \$ 3.20; Deprec. \$0.33; Loss resv. \$4.27; Taxloss \$10.65. ASSETS \$61.6M: 10% Invstmt prop, 8% Mtgs, 82% Foreclosed; 74% nonearn + 8% lowearn. DIVIDEND: \$0.00. FINANCE: \$42.0M debt is 4.3X \$9.7M equity.

EPS:	Jan.	Apr.	July	Nov.	Year
FY'79	d35cb	d37c	1.05b	d11cb	22cb
FY'80	5ca	d18ca	d40c		

b-Incl. \$2.60 swap gain & 22c sale gain '79. a-60c swap & taxloss gains to date '80.

Position: This former mtg. trust is developing properties & selling condos to repay bank debt. Assets 43% apts./condos, 45% land; 90% Fla. Debt revised: \$16M bank loans @ 8% + \$6M int. notes; Repaying past due interest of \$11M thru swaps. Rest of debt is subor. debts. **Comment:** Spec. on ability to revise & extend bank debt, condo sales.

3N-SOUTHMARK PROP: \$4.13 (SM-NYSE) SHARE DATA:

11774T, Net book \$ 2.04; Deprec. \$0.59; Loss resv. \$1.43; Taxloss \$9.71. ASSETS \$112.8M: 61% Invstmt prop, 23% Mtgs, 16% Foreclosed; 29% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$81.8M debt is 3.4X \$23.8M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'80	1c	8ca	6ca	Nil	0.16
FY'81	3cb				

a-Incl. 11c swap gains & other credits

FY'80. b-Incl. 1c taxloss. **Position:** This former bank sponsored (Cit.&So. Rl.) construc. lending trust is selling props. to repay debt while trying to keep a core of operating props. Assets 61% invest. props., most apts. & shop. ctrs., & 23% mtgs. Most Ga. & Tex. Can repay \$43.8M bank at 90c per \$1 thru 3/81; pd. \$10M 11/80 w/proceeds from wt. exercise. Revised agmt. 10/80 to exch. 2.5M shs. for rltty cos. owned by Gene Phillips & assets incl. recreat'l. land on Colorado R. in S. Calif., off. bldg. + receivables. Phillips controlled Syntek Corp. exer'd. wts. for 31% int; trust has option to repurch. @ \$30 ea. 50,000 wts. exer. for 2.5M shs. from Syntek. **Comment:** Hold; Phillips deals limit overhanging dilution from wts.

2N-STATE MUTUAL IN: \$5.25 (SMU-NYSE) SHARE DATA:

5538T, Net book \$ 7.06; Deprec. \$0.06; Loss resv. \$0.85; Taxloss \$3.64. ASSETS \$57.8M: 34% Invstmt prop, 51% Mtgs, 15% Foreclosed; 64% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$11.8M debt is .3X \$39.1M equity.

EPS:	June/Apr	Sept/Jul	Dec.	Jan.	Year
FY'80	19ca	35ca	3ca	3ca	60ca
FY'81	14ca	4ca			

a-New FY ending Jan.; Taxloss benefits 28c FY'80; 17c FY'81. **Position:** This life insur. co. sponsored mtg. trust merged w/Greenville Corp. (controlled by Belzberg family of Can) 2/1/80, adding approx. \$22M land & rltty. devel. in Calif. \$5/sh. value at time of merger. Assets 19% apts., 33% land, 21% off.; 42% Cal. Agreed 10/80 to acq. majority int. in Mayer Gp., Inc., pvt. Cal. dev. co. f/\$14M; can acq. min. int. thru exchange of 500T shs. Paid off \$6M 9% subor. notes 11/80; remaining debt is 6-3/4% convts. + \$2M mtgs. **Comment:** Hold for poss. active mgmt. by Belzbergs, 50.3% owners, when advisory agmt. w/ sponsor expires 2/81. Four clients of Peter Cundill & Assoc. Ltd. (Can.) own 5.3%.

1N-TIERCO: \$5.13 (TIERS-OTC) SHARE DATA:

2363T, Net book \$ 9.72; Deprec. \$0.06; Loss resv. \$0.00; Taxloss \$3.94. ASSETS \$28.7M: 43% Invstmt prop, 16% Mtgs, 41% Foreclosed; 30% nonearn + 18% lowearn. DIVIDEND: \$0.00. FINANCE: \$11.6M debt is .5X \$23.0M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	d27c	56ca	4c	84ca	\$1.65a
1980	1c	d1c	d5c		

a-1979 incl: \$1.50 debt cancel., 18c insur. gains, 6c sale gain, 41c taxloss benefits; qtrs. do not add to yr. **Position:** This once-deeply troubled mtg. lender acquired 10/79 Viking, Inc., owner of \$7.7M notes + Alaska land, for 1.16M shs. (or 48%). Most assets Okla., Tex., Alaska; heavy office. Debt incl. \$8M superior notes @ 10% w/lender option to buy 150T sh. @ \$6 1/83 thru 12/87. Trust revalued assets to mkt. in quasi-reorg. 1/80 to add \$2/sh. to book value. **Comment:** Buy at discount from book on profitable use of acquisition cash.

(Ranked No. 1 on 10/26/79 at \$3.75)

2N-TOWERMARC: \$5.38 (FMEMS-OTC) SHARE DATA:

1156T, Net book \$ 7.74; Deprec. \$1.94; Loss resv. \$0.56; Taxloss \$7.11. ASSETS \$16.1M: 58% Invstmt prop, 42% Mtgs, 0% Foreclosed; 24% nonearn + 33% lowearn. DIVIDEND: \$0.00. FINANCE: \$7.1M debt is .8X \$8.9M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'79	1.14a	23ca	d1.26	89c	\$1.01a
FY'80	18cb	19cb	19cb		

a-Incl. 49c swap gains & 30c taxloss benefits '79. b-Incl. 17c taxloss benefits '80. Position: Trust completed swapping/selling assets 1979 to retire most bank debt; all mtg. loans returned to full earning status. Trust ended bank ties, became self-admin. 3/80; Assets are 42% land/devel., 23% office; 55% Tenn., 20% Tex. Developing 40 acre Tampa Ind. Park; building 3,200 sf off. bldg. Memphis. Sold last of rental units 6/80 for 18c/sh. gain. Morgens-Waterfall has 23.9% & board seat. Comment: Spec. on success in new role as rltly. developer & manager.

1N-TRANSAMER RLTY: \$8.63 (TAR-NYSE) SHARE DATA:

3993T, Net book \$14.47; Deprec. \$0.62; Loss resv. \$1.39; Taxloss \$1.38. ASSETS \$64.4M: 1% Invstmt prop, 72% Mtgs, 28% Foreclosed; 30% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$3.0M debt is .1X \$57.8M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'79	21cab	23cab	37cab	19cb	\$1.00ab
FY'80	14c	29c	16c		

a-Incl. prop. sales: 27c '79. b-29c interest & 3c loss resv. recovery '79. Position: This major former constr. lender (Mtg. Trust America) paid off banks 8/80; now leveraged only by mtg. debt. Has \$20M bank lines. Adviser Transamerica Mtg. Adv. promoting closer ties; owns 13.3%, may buy up to 20% as TAR may end REIT status to be more active realty developer & joint venturer w/ Transamerica Corp. affiliates. Assets now 42% land & devel., 18% hotel, 17% apt. Comment: Buy/hold on new active role and discount from book.

(Ranked No. 1 on 11/10/78 at \$5.88)

2N-TRECO INC: \$1.75 (TREC-OTC) SHARE DATA:

2475T, Net book \$ 1.60; Deprec. \$1.98; Loss resv. \$3.94; Taxloss \$19.31. ASSETS \$80.7M: 65% Invstmt prop, 16% Mtgs, 19% Foreclosed; 35% nonearn + 50% lowearn. DIVIDEND: \$0.00. FINANCE: \$64.5M debt is 16.5X \$3.9M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'80	8ca	11ca	Nil	8ca	27ca
FY'81	7cb	27cb			

b-Incl. 16c taxloss benefit & 12c sale gain.

a-Incl. 15c taxloss benefit. Position: Once bank-sponsored Barnett Mtg., this mtg. lender went thru private reorganization in 1978-9, emerging w/large potential dilution. Now Fla. corp. Selling props., often to ltd. partnerships it organizes & manages. Mtg. banking & prop. mgmt. have been entered. Most props. southeast & sales repay bank debt, now down to \$42M @ 1% to 9/83. Comment: Shs. sophisticated spec. on expanding rltly. ops. Bonds: Old 8 $\frac{1}{2}$ s & new pfd. convert @ \$1.62/sh. or 6.122M add. shs. Pfd. conv. exp. 12/80. Westchase Rltty., Neth. Antilles co., owns 8 $\frac{1}{2}$ s convt. to 26.6% in-

terest; Stanford Phelps to 24.4%; Loyal Amer. Life Ins. to 26.1%.

2N-TRI-SOUTH INV: \$3.00 (TSI-NYSE) SHARE DATA:

3044T, Net book \$ 6.37; Deprec. \$0.91; Loss resv. \$5.06; Taxloss \$5.59. ASSETS \$65.7M: 18% Invstmt prop, 38% Mtgs, 45% Foreclosed; 47% nonearn + 17% lowearn. DIVIDEND: \$0.00. FINANCE: \$31.0M debt is 1.6X \$19.4M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	23ca	1.90a	27ca	30ca	\$2.54a
1980	35cb	3cb	9cb		

a-\$1.89 taxloss benefits & restructure gains '79. b-23c taxloss benefits & 58c loss resv. credit '80. Position: This once-large mtg. trust is Ga. corp., 7/80 ended ties to bank sponsors, hopes to use part of \$11M taxloss exp. '80. Assets: 16% condo end-loans; 49% recreational, land & devel.; 28% apt./retirement; 37% Ga., 23% Tex. Debt. incl. \$10.7M secured bank debt at prime + 2%; \$9.7M face of 10% sr. notes convt. @ \$2 $\frac{1}{2}$ into 3.9M additional sh. Comment: Large potential dilution limits sh. appeal. Bonds: 10s of '88 interesting yield & gains play. Drexel Burnham Lambert owns cvts. to 22.8% interest.

4N-TRITON GROUP: \$0.75 (TGL-NYSE) SHARE DATA:

19215T, Net book d\$ 0.70; Deprec. \$0.12; Loss resv. \$0.00; Taxloss \$2.70. ASSETS \$56.8M: 92% Invstmt prop, 8% Mtgs, 0% Foreclosed; 31% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$13.8M debt over d\$13.4M equity.

EPS:	Aug.	Nov.	Feb.	May	Year
FY'80	37ca	29ca	81ca	6.71a	8.18a
FY'81	d 3c				

a-\$7.96 debt restruc. & taxloss. Position: Formerly Chase Man. Mtg., Triton completed Ch. XI reorganization & settled litigation 6/5/80 by issuing 13.3M new common (incl. 2.7M to banks & 3.5M to old holders in suit) plus 1.76M new Ser.A pfd. w/\$30.75 liquidate value, voting as common & convt. into 24 $\frac{1}{2}$ sh. common (=43.1M addl. primary common). New primary voting ex warrants: Old subor. debt 68%; old sr. notes 10%; original holders 14%; Banks 7%. Banks also get 14.7M wts. @ \$1.50 & \$2.25. Subor. debt cmte. picks 3 of 7 new trustees. Retained assets have \$52M or 84c/sh. primary net value & incl. 2,700-acre Palmas del Mar resort in Puerto Rico; Ledgewood Mall ctr. in N.J.; a Manhattan nursing home; & Baton Rouge Hilton under sale contract 10/80 @ \$12M cash or \$2.5M gain. Holding merger/acquisition talks in effort to use 84c/sh. primary taxloss; selling some realty assets. Comment: Less interesting speculation; Amer. Finc'l. has pfd. convt. into 19% of primary shares.

4N-UMET TRUST: \$3.88 (UAT-NYSE) SHARE DATA:

2109T, Net book \$ 1.52; Deprec. \$1.16; Loss resv. \$3.69; Taxloss \$9.96. ASSETS \$49.0M: 0% Invstmt prop, 42% Mtgs, 58% Foreclosed; 5% nonearn + 54% lowearn. DIVIDEND: \$0.00. FINANCE: \$39.2M debt is 12.2X \$3.2M equity.

EPS	Feb.	May	Aug.	Nov.	Year
FY'79	2.79b	d30cb	d40cb	1.99b	\$4.08b
FY'80	d19ca	0ca	d6cc		

b-Incl. \$5.02 inter. forgive & swap & taxloss

credits '79. a-Incl. 5¢ debt repur. gain '80. c-Incl. 2¢ interest forgiveness.

Position: This once-large mtg. trust is becoming a realty developer & manager. Assets 36% shop. ctrs.; 47% Southeast. Debt. incl. \$25M bank debt to 12/83, accrues @ 9% & pays 1% cash. Agmt. to combine w/ pvt. Grubb & Ellis ended on uncertainties re ability to restructure bank debt. Comment: Less attractive spec.; mgmt. strong.

2 -UNITED RLTY IN: \$12.38 (URT-ASE) SHARE DATA: 3610T, Net book \$17.66; Deprec. \$0.11; Loss resv. \$0.58; Taxloss \$0.00. ASSETS \$77.5M: 13% Invstmt prop, 60% Mtgs, 26% Foreclosed; 0% nonearn + 33% lowearn. DIVIDEND: \$1.16. FINANCE: \$11.5M debt is .2X \$63.8M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'79	20¢	21¢	24¢	25¢	90¢
FY'80	26¢	26¢	29¢		

a-Incl. 4¢ litigation expense recovery '80. Position: Initially LT mtg. lender, URT has moved to restore foreclosures to earning & stress new equity/joint venture investments. Low leverage adds funding capacity. Assets incl. 17% GNMA's (pledged); Fcl./prob. loans 45% hotel/college; 30% apt., 18% office. swapped 3 props. w/ Growth Realty for complete control. Comment: Hold for new equities, improved results on resolution of problems; now corp. but stays REIT. Chrnm. Weinberg owns 16.6%, Don C. Carter gp. 6.8%

2 -US REALTY INV #: \$13.00 (UTY-NYSE) SHARE DATA: 3406T, Net book \$ 4.09 + Deprec. \$10.92; Loss resv. \$1.37; Taxloss \$2.03. ASSETS \$80.2M: 73% Invstmt prop, 27% Mtgs, 0% Foreclosed; 11% nonearn + 0% lowearn. DIVIDEND: \$0.20. FINANCE: \$62.9M debt is 4.5X \$13.9M equity.

EPS/CFS:	Mar.	June	Sept.	Dec.	Year
1979	21/33¢	2/15¢	7/19¢	2/28¢	32/95¢
1980	d5/8¢	1/12¢	84/95a		

a-54¢ sale gains & 21¢ taxloss benefit '80; 21¢ sale gains, 5¢ taxloss '79. Position: This independent Cleveland property trust encountered problems w/mtg. lending begun '69; Most problems behind or controlled. Resumed div. w/ 5¢ pd. 9/80. Props. incl. 10% joint vent., most w/ Forest City Ent., & owned props. @ cost: 35% hotel/motel w/1548 rms.; 35% shop. ctr. w/3.2M sf; 26% office w/834T sq. ft. incl. Terminal Twr., Cleve. Debt incl. \$45M mtgs. & \$9 M banks; \$12M rev. credit agmt. to 6/83 let USRI pay div. from CFS & gains. Mgmt. says book value appraised @ \$14.65-\$16.15/sh. over \$4.08 net book. Comment: Buy/hold for long-term recovery; Insiders buying; SZRL bought out Litz/Kalkus 6.1% interest; Bradbury Dyer owns 5.4%.

2N-VIRGINIA REIT #: \$19.88 (VARES-OTC) SHARE DATA: 1024T, Net book \$ 8.41 + Deprec. \$6.58; Loss resv. \$0.93; Taxloss \$0.00. ASSETS \$30.9M: 84% Invstmt prop, 6% Mtgs, 10% Foreclosed; 10% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$22.7M debt is 2.7X \$8.4M equity.

EPS/CFS:	Mar.	June	Sept.	Dec.	Year
1979	11/25¢	10/18¢	10/19¢	16/30¢	47/92¢
1980	15/31¢	8/23¢	11/22¢		

Div: Eliminated pending merger comp. by 1/7/81. Position: Trustees accept pvt. investors J. Farinholt & A. Ewing offer of \$21.25/sh. initial cash + 25¢ in escrow for expenses. Est. net book had been \$18.80/sh. at 8/79. Props. owned at cost are 55% shopping ctr./retail, 37% apts. Debt is all mtgs. Officers & trustees own 26%. Comment: Hold for liquidation.

3N-VISTA M&R INC: \$0.56 (JMI-OTC) SHARE DATA: 1184T, Net book \$10.28; Deprec. \$0.00; Loss resv. \$2.97; Taxloss \$23.65. ASSETS \$16.0M: 17% Invstmt prop, 29% Mtgs, 54% Foreclosed; 83% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$1.3M debt is .1X \$12.2M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79c	d2.30	d1.80	50¢	8.50a	8.60ab
FY'80c	d 5¢	d 5¢	d10¢		

a-Incl. \$7.20 sale gains & taxloss benefits.

b-Doesn't add because of new shs. June Q.

c-Adj. for 1-for-10 rev. split 10/30/80.

Position: Chap. XI plan confirmed 5/79; \$9.6M subor. debt converted into unregistered stock so bondholders now own 90%. Effected 10/30/80 chng. to corp. plus reverse split; was Metroplex Realty. Assets mostly Texas land & lots; looking to be acquired for all cash. Comment: Shs. spec. on possible merger.

2N-VYQUEST TRUST: \$4.75 (VYQTS-OTC) SHARE DATA: 1860T, Net book \$ 5.59; Deprec. \$0.73; Loss resv. \$3.28; Taxloss \$9.14. ASSETS \$17.5M: 33% Invstmt prop, 36% Mtgs, 31% Foreclosed; 42% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.1M debt is .4X \$10.4M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'79	d47¢	11.54a	50¢	d72¢	\$10.89a
FY'80	20¢	d2¢	6¢		

a-Incl. \$11.06 gains on Ch. XI bankruptcy settlement. & taxloss benefits '79. b-Incl. d17¢ aborted merger expense. Position:

This former mtg./leaseback trust emerged from Ch. XI 3/12/79 as hotel/motel (43% of assets) & condo (27%) operator. Sold 10/80 3 motels to Prime Motor Inns; Prime's Vyquest shs. going 100T to broker M.J. Whitman (5.5%), 50T to Chrnm. Brian Vesley. Trust to gain 32¢/sh. Debt is mtgs. & 6% cvts. Comment: Hold/buy speculatively for low-rate debt, gains from condos.

2N-WACHOVIA RLTY: \$5.63 (WRI-NYSE) SHARE DATA: 3335T, Net book \$ 9.56; Deprec. \$0.09; Loss resv. \$1.13; Taxloss \$5.32. ASSETS \$53.4M: 1% Invstmt prop, 87% Mtgs, 13% Foreclosed; 20% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$15.6M debt is .5X \$31.9M equity.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'79	d60¢	d 8¢	d10¢	d15¢	d93¢
FY'80	46¢	17¢	10¢	d 5¢	68¢

a-45¢ sale gain; 17¢ inter. recovery & 33¢ taxloss. Position: This bank-sponsored mtg. trust is slowly curing problem loans & foreclosures. New secured credit to 7/83: \$14M term debt + \$3M revolving @ prime + 1%. Balance sheet clean w/o convts. or wts. Remaining forecl. props. 933 acres of land w/ sale of Ga. apt. 11/80. Comment: Recovery spec. on elimination of foreclosures but high

int. rates cut immediate appeal. Considering mergers.

1N-WALTER REALTY: \$8.50 (WALJS-OTC) SHARE DATA: 1035T, Net book \$ 8.76; Deprec. \$0.86; Loss resv. \$2.13; Taxloss \$9.03. ASSETS \$14.9M: 26% Invstmt prop, 24% Mtgs, 51% Foreclosed; 28% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.4M debt is .5X \$8.3M equity.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'80	1/2cb	31 1/2cb	27cb	d49cb	10cb
FY'81	73ca				

a-51c sale gains & 34c taxloss gains '81. b-58c sale gains & 3c taxloss gain '80.

Position: This mtg./property combination trust has worked out most problems, repaid term loan debt & reorganized as Md. corp. Former sponsor/adv. Jim Walter Corp. owns 9.7% of sh. Assets incl. 26% in Louisville shop. ctr. & 23% Pontiac, MI mob. home sold 10/80. Letter of intent from Cheezem Dev. Corp. to acq. at \$10/sh.; to decide by 12/19/80. Comment: Hold on potential sale, liquid assets.

(Ranked No. 1 on 12/7/79 @ \$5.13)

2N-WASHINGTON CP: \$1.69 (TWC.X-PHSE) SHARE DATA: 1675T, Net book \$ 0.26; Deprec. \$0.00; Loss resv. \$6.28; Taxloss \$12.54. ASSETS \$31.4M: 11% Invstmt prop, 56% Mtgs, 33% Foreclosed; 55% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$23.5M debt is 53.7X \$0.4M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	11ca	nil-a	d1ca	35ca	45ca
1980	16cb	20cb	10cb		

a-Swap gains & taxloss ben. 44c. b-48c swap & taxloss credits. Position: Independent Washington, D.C. mtg. lending trust encountered heavy problem loans, has now sold condos & hotels, leaving vacant land at 32% of assets. Developing two prime suburban D.C. parcels in joint ventures. Condo end loans (32% of assets) to be swapped @ par to banks: \$2M swapped 9/80, \$3.5M '81. For each \$1 repaid, \$1.17 cancelled. \$11.4M bank @ 1% to 12/81, 7% after. Banks hold 609T preferred shs. in lieu of interest.

John G. Taylor owns 10%. Comment: Spec. buy on merger prospects or land buildout potential; bank deal adds appeal.

2 -WASH RE (WRIT): \$39.13 (WRE-ASE) SHARE DATA: 1526T, Net book \$15.44 + Deprec. \$6.87; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$40.8M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.72. FINANCE: \$18.1M debt is .8X \$23.6M equity. EPS/CFS: Mar. June Sept. Dec. Year

1979	44/53c	53/59	4.64/4.72a	56/66	6.16/6.50
1980	48/58	59/69	54/		

a-Incl. \$4.15 prop. exch. gains. Position: This independent D.C. run trust has estab. remarkable record (10.9% yearly div. growth rate in '70's) by buying only props. in/near D.C. & managing them closely. Results have been boosted by trebled rents in some comcl. props. Assets 36% office, 35% apts., 29% retail/distrib. ctrs. Debt is all mtg. Forming paired "sister" corp. Comment: Hold/buy for LT income growth + gains on condo

potential in remaining apts.

2 -WELLS FARGO M&E: \$23.88 (WFM-NYSE) SHARE DATA: 3965T, Net book \$18.82; Deprec. \$1.56; Loss resv. \$1.04; Taxloss \$0.00. ASSETS \$224.0M: 29% Invstmt prop, 68% Mtgs, 8% Foreclosed; 4% nonearn + 7% lowearn. DIVIDEND: \$2.00. FINANCE: \$153.7M debt is 2.1X \$74.6M equity. EPS: Sept. Dec. Mar. June Year

FY'80	45ca	42ca	56ca	60ca	\$2.10a
FY'81	79ca				

a-Incl. sale gains: 39c '81; 23c '80.

Position: This major bank-sponsored balanced mtg./property trust emerged from '70's with few problems & stressing properties in new invest. Invest. props. are 31% apt., 27% off., 27% ind.; 23% joint ventures. Equity inv. appraised at \$33.8M, or \$8.55/sh. over net book at 6/30/80. Dec. qtr. gain of 50c-90c/sh. apt. sale. Debt: \$124M com. paper, \$21M mtg. Offered \$30M, 25-yr., 12% cvt. sub. debs. 11/80 to pay commcl. paper & make equity investments. Comment: Hold for expanding equities, buy on rate fall; DeRance Inc. owns 6.6% & adviser buying shs.

2 -WESTERN MTG: \$4.13 (WMTGS-BOS) SHARE DATA: 1003T, Net book \$ 8.18; Deprec. \$0.60; Loss resv. \$0.49; Taxloss \$0.00. ASSETS \$17.3M: 59% Invstmt prop, 41% Mtgs, 0% Foreclosed; 18% nonearn + 0% lowearn. DIVIDEND: \$0.24. FINANCE: \$9.2M debt is 1.1X \$8.2M equity. EPS: May Aug. Nov. Feb. Year

FY'80	26ca	3c	6c	1c	36ca
FY'81	4c	7c			

a-Incl. 24c sale gains.

Position: This smaller mtg. trust has overcome problems but small capital base limits appeal. Looking for inv. props., only new loans have equity participation or provide overages. Debt is \$3M bank, \$6M mtg. Comment: Recovery spec.; insiders buying, Landon T. Clay et al. own 15.4%.

2N-WESTPORT COMPNY: \$6.63 (WSPTS-OTC) SHARE DATA: 2388T, Net book \$ 5.63; Deprec. \$0.41; Loss resv. \$4.70; Taxloss \$5.57. ASSETS \$50.1M: 34% Invstmt prop, 35% Mtgs, 31% Foreclosed; 45% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$21.6M debt is 1.5X \$14.5M equity. EPS: Jan. Apr. July Oct. Year

FY'79	d1 1/2c	d1 1/2c	d4 1/2c	1.61a	\$1.53a
FY'80	Nil-b	d6c	1c	d44c	d49cb

a-\$1.45 asset sale & 9c swap gains '79. b-Incl. 13c swap & taxloss gains '80.

Position: This former bank-sponsored mtg. trust is emerging as realty developer/mgr. Assets 30% office, 25% land. Debt incl. \$22M secured loan @2% over prime to 10/81. Issued \$500T notes to settle \$4.8M conting. int. Comment: spec. buy at discount from book; insiders owns 31% of shs. & Deltec Pan-america owns 12.9%

2 -WISCONSIN REIT: \$5.13 (WREIS-OTC) SHARE DATA: 1514T, Net book \$ 5.92; Deprec. \$3.15; Loss resv. \$0.00; Taxloss \$1.45. ASSETS \$41.4M: 67% Invstmt prop, 33% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.10. FINANCE: \$30.3M debt is 3.4X \$9.0M equity.

EPS: Mar. June Sept. Dec. Year
 1979 1c 5c 41c 22c 69c
 1980 39c d20c 1c
 a-Incl. taxloss benefits: 32c '79; 8c '80
 + 23c sale gains. Div: Paid semi-annually.
 Position: This non-qualified business
 trust, independently mngd., has moved into
 house/condo bldg., mainly developing surplus

land via Orlando homebldr. Bldg. produced 66%
 of '79 revenues & \$3.67M gross profit. Rent-
 al props. 54% of assets; Nonearn. incl. all
 devel. Comment: Hold/buy; Chicago investor
 Clyde W. Engle & his Telvest, Inc., 20.3% sh.
 owner, control, WREIS owns 17% Indiana Fincl.
 w/ Engle. June Q loss due to expensive
 proxy fight.

NR-CITINATL DEV: \$10.25 (N/A-OTC) SHARE DATA:
 600T, Net book \$13.48; Deprec. \$0.00; Loss
 resv. \$1.39; Taxloss \$2.08. ASSETS \$8.8M:
 0% Invstmt prop, 14% Mtgs, 86% Foreclosed;
 19% nonearn + 0% lowearn. DIVIDEND: \$0.00.
 FINANCE: NO debt over \$8.1M equity.

NR-RL EST INV PRP#: \$10.75 (REIPS-OTC) SHARE DATA:
 959T, Net book \$ 7.46 + Deprec. \$1.36; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$6.5M:
 100% Invstmt prop, 0% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$1.36.
 FINANCE: NO debt over \$7.2M equity.

NR-CONSOL CAP INCO: \$23.25 (CCITS-OTC) SHARE DATA:
 4008T, Net book \$22.74; Deprec. \$0.00; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$96.0M:
 0% Invstmt prop, 100% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$2.63.
 FINANCE: \$36.3M debt is .4X \$91.2M equity.

NR-REIT OF CALIF: \$17.00 (RTCAL-OTC) SHARE DATA:
 719T, Net book \$10.32; Deprec. \$1.50; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$9.0M:
 74% Invstmt prop, 26% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$1.75.
 FINANCE: \$3.3M debt is .4X \$7.4M equity.

NR-DEL-VAL FINCL: \$10.50 (DVALS-OTC) SHARE DATA:
 1345T, Net book \$ 9.18; Deprec. \$0.00; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$25.6M:
 6% Invstmt prop, 94% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$1.50.
 FINANCE: \$10.3M debt is .8X \$12.3M equity.

NR-TERRYDALE RLTY#: \$26.25 (TRYLS-OTC) SHARE DATA:
 337T, Net book \$13.45 + Deprec. \$11.20; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$20.4M:
 99% Invstmt prop, 1% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$1.80.
 FINANCE: \$15.5M debt is 3.4X \$4.5M equity.

NR-GENERAL RE SHS#: \$10.50 (GRELS-OTC) SHARE DATA:
 557T, Net book \$ 7.56 + Deprec. \$8.04; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$7.9M:
 85% Invstmt prop, 15% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$2.04.
 FINANCE: \$4.1M debt is 1X \$4.2M equity.

NR-UNIVERSITY REI#: \$10.75 (URETS-OTC) SHARE DATA:
 2643T, Net book \$ 7.35 + Deprec. \$1.70; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$60.1M:
 80% Invstmt prop, 20% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$1.32.
 FINANCE: \$41.8M debt is 2.2X \$19.4M equity.

NR-HEALTH CARE FD: \$11.25 (HCFDS-OTC) SHARE DATA:
 934T, Net book \$11.64; Deprec. \$0.00; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$44.1M:
 82% Invstmt prop, 18% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$1.60.
 FINANCE: \$39.6M debt is 3.6X \$10.9M equity.

NR-US EQUITY & MTG: \$8.50 (USEM-OTC) SHARE DATA:
 1079T, Net book \$ 2.44; Deprec. \$3.25; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$10.8M:
 80% Invstmt prop, 15% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$1.18.
 FINANCE: \$7.0M debt is 2.6X \$2.6M equity.

NR-INTL INC PROP #: \$9.75 (IPI-OTC) SHARE DATA:
 1865T, Net book \$ 8.76 + Deprec. \$0.93; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$25.3M:
 100% Invstmt prop, 0% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$0.67.
 FINANCE: \$9.6M debt is .6X \$16.3M equity.

NR-US MUTUAL RE: \$9.25 (USMRS-OTC) SHARE DATA:
 2619T, Net book \$ 8.62; Deprec. \$0.00; Loss
 resv. \$0.02; Taxloss \$0.00. ASSETS \$39.1M:
 0% Invstmt prop, 100% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$1.20.
 FINANCE: \$17.5M debt is .8X \$22.6M equity.

NR-OLD DOMINION #: \$8.00 (ODRES-OTC) SHARE DATA:
 711T, Net book \$ 6.14 + Deprec. \$3.00; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$20.1M:
 99% Invstmt prop, 1% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$0.60.
 FINANCE: \$15.4M debt is 3.5X \$4.4M equity.

NR-USP RE EST INV#: \$6.38 (USPTS-OTC) SHARE DATA:
 2500T, Net book \$ 7.25 + Deprec. \$2.18; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$47.7M:
 96% Invstmt prop, 4% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$0.72.
 FINANCE: \$31.3M debt is 1.7X \$18.1M equity.

NR-PITTS & W VA RR: \$5.13 (PW-ASE) SHARE DATA:
 1510T, Net book \$23.38; Deprec. \$5.52; Loss
 resv. \$0.00; Taxloss \$0.00. ASSETS \$37.5M:
 100% Invstmt prop, 0% Mtgs, 0% Foreclosed;
 0% nonearn + 0% lowearn. DIVIDEND: \$0.57.
 FINANCE: \$0.1M debt is 0X \$35.3M equity.

REIT TAX STATUS: Most dividend paying trusts qualify as real estate investment trusts/
 corporations and are exempt from Federal income taxes to the extent they distribute 95% (90%
 before 1980) of income to shareholders. Distribution of capital gains is optional; gains may
 be distributed or retained after tax is paid. Non-qualified trusts/corporations have no div-
 idend distribution requirement and can retain earnings or use taxloss carryforwards to shelter
 future profits. Non-qualified entities can engage in real estate operating and development
 activities not permitted for qualified trusts, which must remain passive.

Technical notes: Net cash flow per share (CFS) is computed by Audit as: Net income plus
 depreciation and partnership distributions in excess of earnings less mortgage principal pay-
 ments and remodeling reserves. Intangibles: Accumulated depreciation is added to book value
 by Audit to approximate market value of properties for cash-flow trusts, denoted #; Loss
 reserves normally will be spent unless recaptured via accelerated dispositions; Taxloss
 carryforwards are regarded as worth 10% to 25% of amounts shown but value varies widely,
 and buying stock solely on taxloss basis is not advised.

Assets are shown in three categories: Mortgages incl. short-term construction & devel-
 opment loans, long-term mortgages, junior mtgs. and wrap-around loans (see Realty ReFund for
 definition); Properties incl. directly owned buildings, land, and leasebacks classed as invest-
 ment properties, plus foreclosed properties reclassified as investment properties, joint ven-
 tures and partnerships, and securities in other companies; and Foreclosures incl. both operat-
 ing and non-operating properties if held for sale.